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# LIBERTY PROPERTY TRUST

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FORM 8-K (Current report filing)

FEB 25 2008

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Fiscal Year 12/31

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

# FORM 8-K

# CURRENT REPORT Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):	January 11, 2008	
	LIBERTY PROPERTY TRUST LIBERTY PROPERTY LIMITED PARTNERSHIP (Exact name of registrant specified in its charter)	
Maryland Pennsylvania (State or other jurisdiction of incorporation)	1-13130 1-13132 (Commission File Number)	23-7768996 23-2766549 (I.R.S. Employer Identification No.)
500 Chesterfield Pa Malvern, PA (Address of principal executive		19355 (Zip Code)
Registrants' telephone, including area code:	(610) 648-1700	1
Check the appropriate box below if the Form 8-K filing is intended to s below):  Written communications pursuant to Rule 425 under the Soliciting material pursuant to Rule 14a-12 under the Exc Pre-commencement communications pursuant to Rule 14a (17 CFR 240-14d-2(b)).  Pre-commencement communications pursuant to Rule 13a (17 CFR 240-13e-4©).	Section Act (17 CFR 230.425). hange Act (17 CFR 240.14a-12). d-2(b) under the Exchange Act	er any of the following provisions (see General Instruction A.2.

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## Item 8.01. Other Events

Liberty Property Trust ("Liberty") is re-issuing in an updated format its historical financial statements in connection with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," ("FAS 144"). During the nine months ended September 30, 2007, Liberty sold properties and in compliance with FAS 144 has reported revenue, expenses and net gains from the sale of these properties as discontinued operations for each period presented (including the comparable periods of the prior year). Under SEC requirements, the same reclassification as discontinued operations required by FAS 144 following the sale of a property is required for previously issued annual financial statements for each of the three years shown in Liberty's last annual report on Form 10-K, if those financials are incorporated by reference in subsequent filings with the SEC made under the Securities Act of 1933, as amended, even though those financial statements relate to periods prior to the date of the sale. This reclassification has no effect on Liberty's reported net income available to common shareholders or funds from operations.

This Current Report on Form 8-K updates Items 6, 7, 8 and 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (the "Form 10-K"), to reflect the primary assets and liabilities and the results of operations of the Company's real properties which have been sold prior to September 30, 2007 or are held for sale at September 30, 2007, as discontinued operations. The updated financial information is attached to this Current Report on Form 8-K as Exhibit 99.1. All other items of the Company's Form 10-K remain unchanged. No attempt has been made to update matters in the Form 10-K except to the extent expressly provided above.

# Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	<u>Description</u>	
23.1 23.2 99.1	Consent of Independent Registered Public Accounting Firm Consent of Independent Registered Public Accounting Firm Updated financial information for the years ended December 31, 2006, 2005, 2004	•
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# **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

# LIBERTY PROPERTY TRUST

By: /s/George J. Alburger, Jr. George J. Alburger, Jr. Chief Financial Officer

# LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust, its sole General Partner

By: <u>/s/George J. Alburger, Jr.</u> George J. Alburger, Jr. Chief Financial Officer

Dated: January 11, 2008

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# EXHIBIT INDEX

Exhibit No.	<u>Description</u>	
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## Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- 1) Registration Statement (Form \$-3 No. 333-120692),
- 2) Registration Statement (Form S-3 No. 33-94782),
- 3) Registration Statement (Form S-3 No. 333-22211),
- 4) Registration Statement (Form S-3 No. 333-43267),
- 5) Registration Statement (Form S-3 No. 333-39282),
- 6) Registration Statement (Form S-3 No. 333-65592),
- Registration Statement (Form S-3 No. 333-125571) of Liberty Property Trust and Liberty Property Limited Partnership,
- 8) Registration Statement (Form S-3 No. 333-14139),
- 9) Registration Statement (Form \$-8 No. 333-32244),
- 10) Registration Statement (Form \$-3 No. 333-53297),
- 11) Registration Statement (Form S-3 No. 333-63115),
- 12) Registration Statement (Form S-3 No. 333-37218),
- 13) Registration Statement (Form S-3 No. 333-45032),
- 14) Registration Statement (Form S-8 No. 333-62504),
- 15) Registration Statement (Form \$-'8 No. 333-62506),
- 16) Registration Statement (Form S-3 No. 333-63494),
- 17) Registration Statement (Form S-3 No. 333-63978),
- 18) Registration Statement (Form S-3 No. 333-91702),
- 19) Registration Statement (Form S-3 No. 333-107482),
- 20) Registration Statement (Form S-3 No. 333-108040),
- 21) Registration Statement (Form S-3 No. 333-114609),
- 22) Registration Statement (Form \$-3 No. 333-118994),
- Registration Statement (Form S-3 No. 333-130948),
  Registration Statement (Form S-3 No. 333-125572),
- 25) Registration Statement (Form S-3 No. 333-122365), and

26) Registration Statement (Form S-8 No. 333-118995) pertaining to the Liberty Property Trust Amended and Restated Share Incentive Plan;

of our reports dated February 23, 2007 (except for Notes 2, 3, 5, 13, and 14, as to which the date is January 11, 2008), with respect to the consolidated financial statements and schedule of Liberty Property Trust, included in this Current Report on Form 8-K.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania January 11, 2008

# Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- 1) Registration Statement (Form S-3 No. 333-120692),
- 2) Registration Statement (Form S-3 No. 33-94782),
- 3) Registration Statement (Form S-3 No. 333-22211),
- 4) Registration Statement (Form S-3 No. 333-43267),
- 5) Registration Statement (Form S-3 No. 333-39282),
- 6) Registration Statement (Form S-3 No. 333-65592), and
- Registration Statement (Form S-3 No. 333-125571);

of our report dated February 23, 2007 (except for Notes 2, 3, 5, 11, and 12, as to which the date is January 11, 2008), with respect to the consolidated financial statements and schedule of Liberty Property Limited Partnership, included in this Current Report on Form 8-K.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania January 11, 2008

## ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth Selected Financial Data for Liberty Property Trust and Liberty Property Limited Partnership as of and for the years ended December 31, 2006, 2005, 2004, 2003 and 2002. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes thereto appearing elsewhere in this report. Certain amounts from prior years have been reclassified to conform to current-year presentation.

	-		Y	EAR ENDED DECEMBER 31,		
Operating Data In thousands, except per share data		2006	2005	2004	2003	2002
Total operating revenue http://docume.com/initial/init		\$ 621,744 \$ 144,387 \$ 266,574	\$ 591,703 \$ 195,558 \$ 249,351	\$ 543,516 \$ 127,188 \$ 161,443	\$ 508,381 \$ 120,730 \$ 163,610	\$ 477,211 \$ 119,117 \$ 150,237
Basic: Income from continuing operations Income from discontinued operations Income per common share – basic Diluted:		\$ 1.61 \$ 1.37 \$ 2.98	\$ 2.25 \$ 0.62 \$ 2.87	\$ 1.50 \$ 0.41 \$ 1.91	\$ 1.53 \$ 0.55 \$ 2.08	\$ 1.43 \$ 0.57 \$ 2.00
Income from continuing operations Income from discontinued operations Income per common stare – diluted		\$ 1.60 \$ 1.35 \$ 2.95	\$ 2.21 \$ 0.61 \$ 2.82	\$ 1.48 \$ 0.40 \$ 1.88	\$ 1.51 \$ 0.54 \$ 2.05	\$ 1.41 \$ 0.56 \$ 1.97
Distributions paid per common share Distributions paid per preferred share Weighted average number of shares outstanding – basic (1) Weighted average number of shares outstanding – diluted (2)		\$ 2.465 \$ - • 89,313 90,492	\$ 2.445 \$ - 86,986 88,376	\$ 2.425 \$ - 84,534 86,024	\$ 2.405 \$ - 78,575 79,868	\$ 2.37 \$ 1.82 75,041 76,272
	_			DECLMBER 31,	·	
Balance Sheet Data In thousands		2006	2005	2004	2003	2002
Net real estate	·	\$4,349,246 4,910,911 2,387,938 1,871,604	\$3,964,195 4,500,322 2,249,178 1,709,182	\$3,667,792 4,163,997 2,133,171 1,596,259	\$3,410,272 3,833,528 1,885,866 1,544,897	\$3,238,384 3,625,099 1,866,187 1,354,431
	_		Y	EAR ENDED DECEMBER 31,		
Other Data Dollars in thousands		2006	2005	2004	2003	2002
Cash provided by operating activities Cash used in investing activities Cash used in provided by financing activities Funds from operations available to common shareholders (3) Total learnable square footpetics at end of		\$ 344,901 (355,270) (327) 294,801	\$ 360,749 (286,633) (39,470) 293,973	\$ 293,336 (373,975) 89,618 291,144	\$ 263,811 (195,133) (58,111) 280,921	\$ 288,243 (165,604) (131,818) 260,750
period (in thousands) (4) Number of properties at end of period (4) Percentage leased at end of period (4)		65,332 720 94%	64,371 718 92%	61,655 723 92%	57,149 702 92%	54,166 680 91%

<sup>(1)</sup> (2) (3)

Basic weighted average number of shares includes only vested Common Shares outstanding during the year.

Diluced weighted average number of shares outstanding includes the vested and unvested Common Shares outstanding during the year as well as the dilutive effect of outstanding options.

The National Association of Real Estate Investment Trusts ("NAREIT") has issued a standard definition for Funds from operations (as defined below). The Securities and Eachange Commission has agreed to the disclosure of this non-GAAP financial measure on a per share basis in its Releases No. 34-4726 (conditions for Use of Non-GAAP Financial Measures. The Company helieves that the calculation of Funds from operations is helpful to investors and management as it is a measure of the Company's operating performance that excludes depreciation and gains and losses from property dispositions. As a result, year over year comparison of Funds from operations reflects the impact on operations from trends in occupancy rates, normalized evelopment activities, general and administrative expenses, and interest costs, providing perspective not immediately apparent from nei income. In addition, management believes that Funds from operations more operations from trends in occupancy rates, repeating costs, development activities, general and administrative expenses, and interest costs, providing perspective not immediately apparent from nei income. In addition, management believes that Funds from operations from trends in occupancy rates, repeating costs, development and administrative expenses, and interest costs, providing perspective not immediately apparent from elections and administrative expenses, and interest costs, providing perspective not immediately apparent from elections of the computed in accordance with generally accepted accounting principles ("GAAP")), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operat

# ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

## Overview

Liberty Property Trust (the "Trust") is a self-administered and self-managed Maryland real estate investment trust (a "REIT"). Substantially all of the Trust's assets are owned directly or indirectly, and substantially all of the Trust's operations are conducted directly or indirectly, by its subsidiary, Liberty Property Limited Partnership, a Pennsylvania limited partnership (the "Operating Partnership" and, collectively with the Trust and their consolidated subsidiaries, the "Company").

As of December 31, 2006, the Company had an ownership interest in and operated 422 industrial and 298 office properties located primarily in the Mid-Atlantic, Southeastern and Midwestern United States and the United Kingdom (the "Properties in Operation") totaling 65.3 million square feet. The Company recently announced its intention to enter the Phoenix, Arizona market and exit the Michigan market. In addition, as of December 31, 2006, the Company had an ownership interest in 38 properties under development (the "Properties under Development" and, together with the Properties in Operation, the "Properties") and had an ownership interest in 1,607 acres of land, substantially all of which is zoned for commercial use. Included within the Properties and land above are 38 industrial and 10 office properties comprising 6.2 million square feet, five development properties comprising 1.1 million square feet and 283 acres of developable land owned by unconsolidated joint ventures in which the Company has an interest.

The Company focuses on creating value for shareholders and increasing profitability and cash flow. With respect to its Properties in Operation, the Company endeavors to maintain high occupancy levels while increasing rental rates. The Company pursues development opportunities that it believes will create value and yield acceptable returns. The Company also acquires properties that it believes will create long-term value, and disposes of properties that no longer fit within the Company's strategic objectives or in situations where it can optimize cash proceeds. The Company's operating results depend primarily upon income from rental operations and are substantially influenced by rental demand for the Properties in Operation.

Rental demand for the Properties in Operation generally improved during the year ended December 31, 2006. Although in some markets the Company continues to experience market conditions characterized by an oversupply of leaseable space and soft demand, the Company believes that the majority of its markets are recovering from a generally slow real estate economy. Rental rates in many of the Company's markets have stabilized or improved. The Company successfully leased 14.9 million square feet during the year ended December 31, 2006 and attained occupancy of 94.2% as of that date. The Company believes that straight line rents on renewal and replacement leases for 2007 will on average be 1% to 3% greater than rents on expiring leases, notwithstanding selected decreases. Furthermore, the Company believes that average occupancy for its Properties in Operation will improve by 1% to 2% for 2007 compared to 2006.

Conditions in 2006 for the acquisition of properties continued to be very competitive. During the year ended December 31, 2006, the Company acquired 23 properties representing 2.5 million. These acquisitions generally served to increase the Company's presence or balance the product mix in markets the Company believes to have significant potential. For 2007, the Company believes that property acquisitions will be in the \$450 to \$550 million range and that, similar to 2006, certain of the acquired properties will be either vacant or underleased. The Company executes acquisitions of such properties when it believes that they are attractively priced and will positively contribute to earnings upon lease up and stabilization. As previously noted, the Company has recently announced its intention to enter the Phoenix, Arizona market. It is anticipated that a substantial portion of the overall planned acquisition activity will be used to facilitate the Company's entry into this market. "Total Investment" for a property is defined as the property's purchase price plus closing costs and management's estimate, as determined at the time of acquisition, of the cost of necessary building improvement costs in the case of development projects, and, where appropriate, other development costs and carrying costs.

As the Company expected, dispositions of properties in 2006 were significant. This disposition activity allowed the Company to (1) reduce its holdings in certain markets and product types within a market; (2) lower the average age of the portfolio; and (3) take advantage of favorable market conditions to optimize the cash proceeds from the sale of certain assets. During 2006, the Company realized proceeds of \$398.2 million from the sale of 40 operating properties representing 4.0 million square feet and five acres of land. Additionally, during 2006, the Company sold six operating properties and 104 acres of land to a joint venture in which the Company retained a 25% interest for \$125.0 million. The real estate investment market continues to be very strong. Given this situation, the Company

anticipates that disposition activity will be in the \$350 million to \$450 million range for 2007. A substantial portion of the planned disposition activity will be related to the Company's planned exit from the Michigan market.

In 2006, the Company also continued to pursue development opportunities. During the year ended December 31, 2006, the Company brought into service 21 development properties representing 2.3 million square feet and a Total Investment of \$211.8 million and initiated \$310.1 million in real estate development. As of December 31, 2006, the projected Total Investment of the wholly owned Properties under Development (excluding the Company sold an 80% interest in the equity of the Company entered into a joint venture, whereby the Company sold an 80% interest in the equity of the Company sold an 80% interest in the equity of the Company will continue to pursue development opportunities and the Company believes that it will bring into service from its development pipeline approximately \$325 to \$350 million of Total Investment in operating real estate.

The Company periodically enters into joint venture relationships in connection with the execution of its real estate operating strategy. During the year ended December 31, 2006, the Company entered into two joint ventures. See Note 4 to the Company's financial stafements. The Company believes that joint ventures in which the Company holds an ownership interest will acquire properties in the \$75 to \$100 million range in 2007. In addition, during the year ended December 31, 2006, unconsolidated joint ventures initiated \$85.1 million in real estate development.

## Forward-Looking Statements

When used throughout this report, the words "believes," "anticipates," "hopes" and "expects" and similar expressions are intended to identify forward-looking statements. Such statements indicate that assumptions have been used that are subject to a number of risks and uncertainties which could cause actual financial results or management plans and objectives to differ materially from those projected or expressed herein, including; the effect of national and regional economic conditions; rental demand; the Company's ability to identify and secure additional properties and sites that meet its criteria for acquisition or development; the availability and cost of capital; the effect of prevailing market interest rates; and other risks described from time to time in the Company's filings with the SEC. Given these uncertainties, readers are cautioned not to place undue reliance on such statements.

## Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires the Company to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Company bases these estimates, judgments and assumptions on historical experience and on other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical policies affect its more significant estimates and assumptions used in the preparation of its consolidated financial statements.

## Capitalized Costs

Expenditures directly related to the acquisition, or improvement of real estate, including interest and other costs capitalized on development projects and land being readied for development, are included in net real estate and are stated at cost. The Company considers a development property substantially complete upon the completion of tenant build-out, but no later than one year after the completion of major construction activity. The capitalized costs include pre-construction costs essential to the development of the property, construction costs, interest costs, real estate taxes, development related salaries and other costs incurred during the period of development. Capitalized development related salaries and benefits historically represent approximately 1% to 2% of the cost of developed properties. The determination to capitalize rather than expense costs requires the Company to evaluate the status of the development activity. Capitalized interest for the years ended December 31, 2006, 2005, and 2004 was \$30.8 million, \$17.7 million and \$13.2 million, respectively.

### Revenue Recognition

Rental revenue is recognized on a straight line basis over the terms of the respective leases. Deferred rent receivable represents the amount by which straight line rental revenue exceeds rents currently billed in accordance with the lease agreements. Above-market and below-market lease values for acquired properties are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease. The capitalized above or below-market lease values are amortized as a component of rental revenue over the remaining term of the respective leases.

## Allowance for Doubtful Accounts

The Company monitors the liquidity and creditworthiness of its tenants on an on-going basis. Based on these reviews, provisions are established, and an allowance for doubtful accounts for estimated losses resulting from the inability of its tenants to make required rental payments is maintained. As of December 31, 2006 and 2005, the Company's allowance for doubtful accounts totaled \$5.1 million and \$6.7 million, respectively. The Company's bad debt expense for the years ended December 31, 2006, 2005 and 2004 was \$1.0 million, \$2.6 million, respectively. During the year ended December 31, 2006, the Company realized \$2.0 million from the settlement of a tenant bankruptcy.

## Impairment of Real Estate

The Company evaluates its real estate investments and investments in unconsolidated joint ventures upon occurrence of significant adverse changes in operations to assess whether any impairment indicators are present that affect the recovery of the recorded value. If any real estate investment is considered impaired, the carrying value of the property is written down to its estimated fair value. During the years ended December 31, 2006 and 2005, the Company recognized impairment losses of \$4.2 million and \$5.3 million and \$5.3 million and \$5.3 million and \$5.3 million so of \$4.2 million and \$5.2 million and \$5.3 million and \$5.3

### Intangibles

In accordance with the Financial Accounting Standards Board ("FASB") Statement of Financial Standards ("SFAS") No. 141, "Business Combinations," the Company allocates the purchase price of real estate acquired to land, building and improvements and intangibles based on the relative fair value of each component. The value ascribed to in-place leases is based on the rental rates for the existing leases compared to the Company's estimate of the fair market lease rates for leases of similar terms and present valuing the difference based on an interest rate which reflects the risks associated with the leases acquired. Origination values are also assigned to in-place leases, and, where appropriate, value is assigned to customer relationships. Origination cost estimates include the costs to execute leases with terms similar to the remaining lease terms of the in-place leases, including leasing commissions, legal and other related expenses. Additionally, the Company estimates carrying costs during the expected lease-up periods including real estate taxes, other operating expenses and lost rental at contractual rates. The Company depreciates the amounts allocated to the intangible relating to in-place leases, which are included in deferred financing and leasing costs or in other liabilities in the accompanying balance sheets, are amortized over the remaining term of the related leases. In the event that a tenant terminates its lease, the unamortized portion of the intangible is written off.

## Results of Operations

The following discussion is based on the consolidated financial statements of the Company. It compares the results of operations of the Company for the year ended December 31, 2006 with the results of operations of the Company for the year ended December 31, 2005, and the results of operations of the Company for the year ended December 31, 2005 with the results of operations of the Company for the year ended December 31, 2004. As a result of the varying level of development, acquisition and disposition activities by the Company in 2006, 2005 and 2004, the overall operating results of the Company during such periods are not directly comparable. However, certain data, including the Same Store results, do lend themselves to direct comparison.

This information should be read in conjunction with the accompanying consolidated financial statements and notes included elsewhere in this report.

## Comparison of Year Ended December 31, 2006 to Year Ended December 31, 2005

The Company's average gross investment in operating real estate owned for the year ended December 31, 2006 increased to \$3,901.9 million from \$3,593.8 million for the year ended December 31, 2005. This increase in operating real estate resulted in increases in rental revenue, operating expense reimbursement, rental property expenses, real estate taxes, and depreciation and amortization expense.

Total operating revenue increased to \$621.7 million for the year ended December 31, 2006 from \$591.7 million for the year ended December 31, 2005. This \$30.0 million increase was primarily due to the increase in investment in operating real estate and the increase; in operating revenue from the Same Store group of properties — see below. These increases were partially offset by a decrease in "Termination Fees," which totaled \$6.2 million for the year ended December 31, 2006 as compared to \$16.6 million for the year ended December 31, 2005. Termination Fees are fees that the Company has agreed to accept in consideration for permitting certain tenants to terminate their leases prior to the contractual expiration date. Termination Fees are included in rental revenue.

The Company evaluates the performance of the Properties in Operation by reportable segment (see Note 13 to the Company's financial statements for a reconciliation to net income). The following table identifies changes in reportable segments (dollars in thousands):

Property level operating income:

	YEAR ENDED DE	2005_	PERCENTAGE INCREASE (DECREASE)
Delaware Valley			
- SE Pennsylvania	\$ 127,745	\$ 130,161	(1.9%)(1)
- Other	26,012	24,382	6.7% (2)
Midwest			
- Lehigh Valley	66,433	57,558	15.4% (3);
- Other	50.854	47,536	7.0% (4)
Mid-Atlantic	83,728	72,437	15.6% (4)
Florida	74,599	63,771	17.0% (4)
United Kingdom	910	16,651	(94.5%) (5)
Total property level operating income (6)	\$ 430,281	\$ 412,496	4.3%
	-		

- The decrease for the year ended December 31, 2006 versus the year ended December 31, 2005 is due to decreased termination fees accepted during 2006. This decrease was partially offset by increased occupancy and an increase in average gross investment in operating real estate.

  The increase for the year ended December 31, 2006 versus the year ended December 31, 2005 is primarily due to an increase in average gross investment in operating real estate and increased termination fees accepted during 2006.

  The increase for the year ended December 31, 2006 versus the year ended December 31, 2005 is primarily due to an increase in average gross investment in operating real estate and increased termination fees accepted, and a \$2.0 million settlement of a tenant bankruptcy received during 2006.

  The increase for the year ended December 31, 2006 versus the year ended December 31, 2005 is primarily due to increased occupancy and an increase in average gross investment in operating real estate and increased termination fees accepted, and a \$2.0 million settlement of a tenant bankruptcy received during 2006.

  The increase for the year ended December 31, 2006 versus the year ended December 31, 2005 is primarily due to increased occupancy and an increase in average gross investment in operating real estate and increased termination fees accepted during 2006.

  The decrease for the year ended December 31, 2006 versus the year ended December 31, 2005 is primarily due to the sale of 15 operating properties to a joint venture in December 2005.

  See a reconciliation of property level operating income to net income in the Same Store comparison below. (1)
- (2) (3)

Property level operating income, exclusive of Termination Fees, for the Same Store properties increased to \$401.8 million for the year ended December 31, 2006 from \$391.1 million for the year ended December 31, 2005, on a straight line basis (which recognizes rental revenue evenly over the life of the lease), and increased to \$397.6 million for the year ended December 31, 2006 from \$384.4 million for the year ended December 31, 2005 on a cash basis. These increases of 2.8% and 3.4%, respectively, are primarily due to an increase in occupancy.

Management generally considers the performance of the Same Store properties to be a useful financial performance measure because the results are directly comparable from period to period. Management further believes Management generally considered the performance of the performance and a serior management for the performance comparison should exclude Termination Fees since they are more event specific and are not representative of ordinary performance results. In addition, Same Store properties to taling approximately 50.2 million square feet owned on January 1, 2005. Set forth below is a schedule comparing the property level operating income, on a straight line basis and on a cash basis, for the Same Store properties for the years ended December 31, 2006 and 2005. Same Store property level income is a non-GAAP measure and does not represent income before property dispositions, income taxes, minority interest and equity in earnings (loss) of unconsolidated joint ventures because it does not reflect the consolidated operations of the Company. Investors should review Same Store results, along with Funds from operations (see "Liquidity and Capital Resources" section), GAAP net income and cash flow from operating activities, investing activities and financing activities when considering the Company's operating performance. Also, set forth below is a reconciliation of Same Store property level operating income to net income (in thousands).

					_	YEAR ENDED DE	
Same Store:	er e		And the Control	en e	. =	2006	2005
Rental revenue		•	X * -		<u>s</u>	409,066	<u>\$ 402,794</u>
Operating expenses: Rental property expense Real estate taxes Operating expense recovery			(4) (1) 第二(1) (1) (1) 第二(1) (1) (1)		· ·	126,076 63,940 (182,795)	124,831 61,720 (174,831)
Unrecovered operating expenses		1.21	1.9.0	$(x_1, \dots, x_{k+1}, \dots, x_{k+1}) = (x_1, \dots, x_{k+1}, \dots,$		7,221	11,720
Property level operating income Less straight line rent	1.27 E.	~ 4 % · ·		4	12/2	401,845 4,282	391,074 6,700
Cash basis property level operating income					<u>s</u>	397,563	\$ 384,374
Reconciliation of non-GAAP financial measure: Properly level operating income – Same Store Properly level operating income – Properties purchased o Property level operating income – discontinued operation Termination fees Geterral and administrative expense Deprociation and amortization expense Other income (expense) Gain on property dispositions Income taxes Minority interest Equity in carmings of unconsolidated joint ventures Discontinued operations, net of minority interest		1, 2005				401,845 -65,086 (42,863) -6,213 -(46,180) (155,372) (103,121) 17,628 (288) (19,993) 1,432 122,187	\$ 391,074 70,520 (65,743) 16,645 (38,123) (126,808) (104,591) 85,673 (14,827) (20,802) 2,540
Net income					<u>s</u>	266,574	<b>S</b> 249,351

General and administrative expenses increased to \$46.2 million for the year ended December 31, 2006 from \$38.1 million for the year ended December 31, 2005. This increase was primarily due to increases in salaries and increases in personnel consistent with the increase in the size of the Company. The increase in general and administrative expenses was also due to the expensing of long term incentive compensation.

Depreciation and amortization increased to \$135.4 million for the year ended December 31, 2006 from \$126.8 million for the year ended December 31, 2005. The increase was primarily due to the increase in gross investment in operating real estate during the respective periods and particularly the increased investment in tenant improvement costs, which are amortized over a relatively shorter period than buildings.

Interest Expense increased to \$112.2 million for the year ended December 31, 2006 from \$111.8 million for the year ended December 31, 2005. Interest expense allocated to discontinued operations for the years ended December 31, 2006 and 2005 was \$12.1 million and \$23.7 million, respectively. This decrease was due to the level of dispositions in 2006 versus 2005. Although there was an increase in average debt outstanding for 2006 compared to 2005 there was a minimal change in total interest expense because of the increase in capitalized interest costs which is consistent with the increased investment in Properties under Development. The average debt outstanding for the year ended December 31, 2006 was \$2,263.9 million compared to \$2,241.1 million for the year ended December 31, 2005. The weighted average interest rate for the years ended December 31, 2006 and 2005 was unchanged at 6.6% for both years.

Costs directly related to the development of Properties Under Development and land being readied for development are capitalized. Capitalized development costs include interest, development-related salaries, property taxes, insurance and other directly identifiable costs incurred during the period of development. Capitalized development-related salaries and benefits historically represent approximately 1% to 2% of the cost of developed properties.

Gain on property dispositions and income taxes decreased to \$17.6 million and \$0.3 million, respectively, for the year ended December 31, 2006 from \$85.7 million and \$14.8 million, respectively, for the year ended December 31, 2005. In 2005, an \$89.6 million gain and a resultant \$14.5 million of tax liability was recognized on the sale of 15 United Kingdom Properties in Operation to the Kings Hill Unit Trust joint venture. In 2006, a \$17.6 million gain was recognized on the sale of certain Properties in Operation and land located in Chicago to the Liberty Illinois, LP joint venture.

Income from discontinued operations increased to \$122.2 million from \$53.8 million for the year ended December 31, 2006 compared to the year ended December 31, 2005. The increase is due to the increase in gains realized on sales which were \$112.6 million for the year ended December 31, 2006 compared to \$36.5 million for the year ended December 31, 2005.

As a result of the foregoing, the Company's net income increased to \$266.6 million for the year ended December 31, 2006 from \$249.4 million for the year ended December 31, 2005.

# Comparison of Year Ended December 31, 2005 to Year Ended December 31, 2004

The Company's average gross investment in operating real estate owned for the year ended December 31, 2005 increased to \$3,593.8 million from \$3,238.9 million for the year ended December 31, 2004. This increase in operating real estate resulted in increases in rental revenue, operating expense reimbursement, rental property expenses, real estate taxes, and depreciation and amortization expense.

Total operating revenue increased to \$591.7 million for the year ended December 31, 2005 from \$543.5 million for the year ended December 31, 2004. This \$48.2 million increase was primarily due to the increase in investment in operating real estate. Contributing to this increase was an increase in Termination Fees, which totaled \$16.6 million for the year ended December 31, 2005 as compared to \$10.9 million for the year ended December 31, 2004. Termination Fees are included in rental revenue.

The Company evaluates the performance of the Properties in Operation by reportable segment (see Note 13 to the Company's financial statements for a reconciliation to net income). The following table identifies changes in reportable segments (dollars in thousands):

Property level operating income:

					YEAR ENDED	DECEMBER 31,	PERCENTAGE
					2005	2004	INCREASE (DECREASE)
Delaware Valley		151					
- SE Pennsylvania				•	\$ 130,161	S 124,567	4.5%
~ Other		: '			24.382	21,632	12.7% (1)
Midwest							
<ul> <li>Lehigh Valley</li> </ul>					57,558	49,644	15.9% (1)
- Other					47,536	43,301	9.8% (2)
Mid-Atlantic		) .			72,437	70,448	2.8%
Florida					63,771	58,443	9.1% (1)
United Kingdom		- 1ii			16,651	16,566	0.5%
Total property level operati	ng income (3)				\$ 412,496	\$ 384,601	7.3%

- The increase for the year ended December 31, 2005 versus the year ended December 31, 2004 is primarily due to an increase in average gross investment in operating real estate during 2005. The increase for the year ended December 31, 2005 versus the year ended December 31, 2004 is primarily due to increased occupancy and an increase in average gross investment in operating real estate during 2005. See a reconciliation of property level operating income to not income in the Same Store comparison below.

### Same Store

Property level operating income, exclusive of Termination Fees, for the "Prior Year Same Store" (as defined below) properties decreased to \$397.7 million for the year ended December 31, 2005 from \$402.6 million for the year ended December 31, 2004, on a straight line basis and decreased to \$391.7 million for the year ended December 31, 2005 from \$392.6 million for the year ended December 31, 2004 on a cash basis. These decreases of 1.2% and 0.3%, respectively, were primarily due to a decrease in the occupancy of the office properties, which is the higher rent paying portion of the portfolio.

Management generally considers the performance of the Prior Year Same Store properties to be a useful financial performance measure because the results are directly comparable from period to period. Management further believes that the performance comparison should exclude Termination Fees since they are more event specific and are not representative of ordinary performance results. In addition, Prior Year Same Store property level operating income exclusive of Termination Fees is considered by management to be a more reliable indicator of the portfolio's baseline performance. The Prior Year Same Store properties consist of the 611 properties totaling approximately 50.0 million square feet owned on January 1, 2004.

Set forth below is a schedule comparing the property level operating income, on a straight line basis and on a cash basis. for the Prior Year Same Store properties for the years ended December 31, 2005 and 2004. Prior Year Same Store property level income is a non-GAAP measure and does not represent income before property dispositions, income taxes, minority interest, and equity in earnings (loss) of unconsolidated real estate ventures because it does not reflect the consolidated operations of the Company. Investors should review Prior Year Same Store results, along with Funds from operations (see Liquidity and Capital Resources section), GAAP net income and cash flow from operating activities, investing activities and financing activities when considering the Company's operating performance. Also, set forth below is a reconciliation of Prior Year Same Store property level operating income to net income (in thousands).

						YEAR ENDED DECEM	BER 31,
	,					2005	2004
Prior Year Same Store: Rental revenue	<i>y</i>	Section 19		· •	<u>s                                     </u>	411,465	\$ 416,292
Operating expenses: Rental property expense Real estate taxes Operating expense recovery			an Marie Alba Marie Marie Alba	Sec.		130,713 62,000 (178,953)	122,963 60,826 (170,126)
Unrecovered operating expenses		Called to the Called	the second second second	7. *	·	13,760	13,663
Property level operating income Less straight line rent	900 III 1	,	7. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.			397,705 6,046	402,629 9,986
Cash basis property level operating income					5	391,659	\$ 392,643
Reconciliation of non-GAAP fluancial measure: Property level operating income – prior year Same Store Property level operating income – properties purchased or develor Property level operating income – discontinued operations Termination fees General and administrative expense General and administrative expense Other income (expense) Gain on property dispositions Income taxes Minority interest Equity in (loss) earnings of unconsulidated joint ventures Discontinued operations, net of minority interest Net income	oped subsequent to January 1, 2004				\$ 	397,705 63,889 (65,743) 16,645 (38,123) (126,808) (104,591) 85,673 (14,827) (20,802) 2,540 53,793 249,351	\$ 402,629 45,061 (73,966) 10,877 (33,688) (111,272) (93,670) 496 (1,820) (16,684) (775) 34,225 \$ 161,443

General and administrative expenses increased to \$38.1 million for the year ended December 31, 2005 from \$33.7 million for the year ended December 31, 2004. This increase was primarily due to increases in salaries and increases in personnel consistent with the increase in the size of the Company. The increase in general and administrative expenses was also due to the expensing of stock options and related long term incentive compensation and increased costs relating to compliance with the requirements of the Sarbanes-Oxley legislation and related regulatory requirements.

### Denreciation and Amortization

Depreciation and amortization increased to \$126.8 million for the year ended December 31, 2005 from \$111.3 million for the year ended December 31, 2004. The increase is primarily due to the increase in gross investment in operating real estate during the respective periods and particularly the increased investment in tenant improvement costs, which are amortized over a relatively shorter period than buildings.

Interest expense increased to \$111.8 million for the year ended December 31, 2005 from \$99.2 million for the year ended December 31, 2004. This increase was due to an increase in the average debt outstanding for the respective periods, which was \$2,241.1 million in 2005 and \$1,990.3 million in 2004. The effect of the increases in the average debt outstanding was offset by decreases in the weighted average interest rates for the periods, to 6.58% in 2005 from 6.70% in 2004.

Costs directly related to the development of Properties Under Development and land being readied for development are capitalized. Capitalized development costs include interest, development-related salaries, property taxes, insurance and other directly identifiable costs during the period of development. Capitalized interest for the year ended December 31, 2005 was \$17.7 million as compared to \$13.2 million for the year ended December 31, 2004. Capitalized development-related salaries and benefits historically represent approximately 1% to 2% of the cost of developed properties.

Gain on property dispositions and income taxes increased to \$85.7 million and \$14.8 million, respectively for the year ended December 31, 2005 from \$0.5 million and \$1.8 million, respectively for the year ended December 31, 2004. These increases are due to the \$89.6 million gain recognized on the sale of 15 United Kingdom Properties in Operation to the Kings Hill Unit Trust joint venture and the resultant \$14.5 million tax on this gain.

Income from discontinued operations increased to \$53.8 million from \$34.3 million for the year ended December 31, 2005 compared to the year ended December 31, 2004. The increase is due to the increase in the gains realized on property dispositions, which were primarily due to the increase in dispositions activity for 2005 compared to 2004. For the year ended December 31, 2005, there was \$36.5 million in net gains on \$200.9 million in dispositions and for the year ended December 31, 2004, there was \$59.6 million in dispositions resulting in \$11.6 million in net gains.

As a result of the foregoing, the Company's net income increased to \$249.4 million for the year ended December 31, 2005 from \$161.4 million for the year ended December 31, 2004.

## Liquidity and Capital Resources

As of December 31, 2006, the Company had cash and cash equivalents of \$109.4 million, including \$55.7 million in restricted cash.

Net cash flow provided by operating activities decreased to \$344.9 million for the year ended December 31, 2006 from \$360.7 million for the year ended December 31, 2005. This \$15.8 million decrease was primarily due to an increase in restricted cash partially offset by an increase in net income. The increase in restricted for the payment of infrastructure costs. Net cash flow provided by operations is the primary source of liquidity to fund distributions to shareholders and for the recurring capital expenditures and leasing transaction costs for

Net cash used in investing activities increased to \$155.3 million for the year ended December 31, 2006 from \$286.6 million for the year ended December 31, 2005. This \$68.7 million increase was primarily due to an increased investment in properties and an increased investment in development in progress partially offset by an increase in net proceeds from the disposition of properties and land.

Net cash used in financing activities decreased to \$0.3 million for the year ended December 31, 2006 compared to \$39.5 million for the year ended December 31, 2005. This change was due to the change in debt, and partially offset by a decrease in net proceeds from the issuance of preferred units. Net cash provided by or used in financing activities includes proceeds from the issuance of equity and debt, net of debt repayments and shareholder distributions. Net cash provided by financing activities is a source of capital utilized by the Company to fund investment activities.

The Company funds its development and acquisitions with long-term capital sources including proceeds from the disposition of properties. For the year ended December 31, 2006, a significant portion of these activities were funded through a \$600 million Credit Facility (the "\$600 million Credit Facility"). The interest rate on borrowings under the \$600 million Credit Facility fluctuates based upon ratings from Moody's Investors Service, Inc. ("Moody's"), Standard and Poor's Ratings Group ("S&P") and Fitch, Inc. ("Fitch"). The current ratings for the Company's senior unsecured debt are Baa2, BBB and BBB+ from Moody's, S&P and Fitch, tespectively. At these ratings, the interest rate for borrowings under the \$600 million Credit Facility is 65 basis points over LIBOR. The \$600 million Credit Facility contains an accordion feature whereby the Company may borrow an additional \$200 million. The \$600 million Credit Facility expires in January 2010, and has a one-year extension option.

The Company uses debt financing to lower its overall cost of capital in an attempt to increase the return to shareholders. The Company staggers its debt maturities and maintains debt levels it considers to be prudent. In determining its debt levels, the Company considers various financial measures including the debt to gross assets ratio and the fixed charge coverage ratio. As of December 31, 2006 the Company's debt to gross assets ratio was 41.8%, and for the year ended December 31, 2006 the fixed charge coverage ratio was 2.5x. Debt to gross assets equals total long-term debt, borrowings under the \$600 million Credit Facility, and borrowings under the Liberty/Commerz 1701 JFK Boulevard, LP financing arrangement divided by total assets plus accumulated depreciation. The fixed charge coverage ratio equals income from continuing operations before property dispositions and minority interest, including operating activity from discontinued operations, plus interest expense and depreciation and amortization, divided by interest expense, including capitalized interest, plus distributions on preferred units.

As of December 31, 2006, \$186.0 million in mortgage loans and \$1,955.0 million in unsecured notes were outstanding with a weighted average interest rate of 6.63%. The interest rates on these mortgage loans and unsecured notes are fixed and range from 4.6% to 8.8%. The weighted average remaining term for these mortgage loans and unsecured notes is 6.0 years.

In 2007, \$1.6 million in mortgage loans with various interest rates and \$100.0 million in unsecured notes will mature. The Company anticipates that it will refinance or retire these borrowings through its available sources of capital.

The Company's contractual obligations, as of December 31, 2006, are as follows (in thousands):

							PAYMENTS	S DUE BY PERIOD	_	
CONTRACTUAL	OBLICATIONS		_	TOTAL	Li	SS THAN I YEAR		3 YEARS	3-5 YEARS	MORE THAN 5 YEARS
Long-term debt (1) Capital lease obligations	OBLIGATIONS		<u>s</u>	3,200,328 7,373	5	264,685 1,684	\$ .	788,184 661	\$ 741,153* 362	\$ 1,406;306 4,666
Operating lease obligations Share of debt of unconsolidated joint ventures (1)		•		13,102 101,602		716 3,762		929 34,515	# 812 43.858	10,645 19,467
Property development commitments (2) Share of property development commitments of		. "	1.4.7	412,987	,	290,234	٠.	122,753	43,036	19,467
unconsolidated joint ventures Joint venture capital commitments			* . 1	34,296 1.012		24,517 1,012		9,779	ee laab Insa	
Letter of credit Purchase obligations (3) Master lease obligation (4)				1,583 132,430 5.532		1,583 112,330		20,100		
Total				3,910,245	<u></u>	5,532 706,055	<u>s</u>	976,921	\$ 786,185	<u>\$ 1,441,084</u>

- Includes principal and interest payments. Interest payments assume current credit facility borrowings and interest rates remain at the December 31, 2006 level until maturity. The Comeast Center commitment is included at the current projected Total Investment of \$495 million.

  Purchase obligations include obligations to ucquire property and land.

  Includes Comeast Center net operating income support agreement and a master lease arrangement in the United Kingdom.

### General

The Company believes that its existing sources of capital will provide sufficient funds to finance its continued development and acquisition activities. The Company's existing sources of capital include the public debt and equity markets, proceeds from property dispositions, equity capital from joint venture partners and net cash provided from operating activities. Additionally, the Company expects to incur variable rate debt, including borrowings under the \$600 million Credit Facility, from time to time.

In February 2005, the Company issued a \$300 million 5.125% senior unsecured note due 2015. The net proceeds from such issuance were \$296.4 million. The net proceeds were used to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

In June 2005, the Company redeemed for \$20 million its outstanding 9.125% Series C Cumulative Redeemable Preferred Units and issued \$20 million of 7.0% Series E Cumulative Redeemable Preferred Units.

During 2005, the Company raised \$50 million through the placement of 6.65% Series F Cumulative Redeemable Preferred Units. The net proceeds from these offerings were used to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

In December 2006, the Company satisfied a \$100 million 6.95% medium term note and issued a \$300 million 5.50% senior unsecured note due 2016. The net proceeds of the \$300 million offering were \$295.4 million and were used to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

In December 2006, the Company raised \$27 million through the placement of 6.70% Series G Cumulative Redeemable Preferred Units. The net proceeds from this offering were used to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

In September 2006, the quarterly Common Share dividend was increased to \$0.62 per share from \$0.615 per share. The Company's annual Common Share dividend paid was \$2.465 per share, \$2.445 per share, and \$2.425 per share in 2006, 2005, and 2004, respectively. In 2006, the Company's dividend payout ratio was approximately 79.2% of Funds from operations (as defined below).

The Company has an effective S-3 shelf registration statement on file with the SEC (the "Shelf Registration Statement"). As of February 23, 2007, pursuant to the Shelf Registration Statement, the Trust had the capacity to issue up to \$586.1 million in equity securities and the Operating Partnership had the capacity to issue up to \$508.4 million in debt securities.

### Off-Balance Sheet Arrangements

As of December 31, 2006, the Company had investments in unconsolidated joint ventures totaling \$54.7 million.

## Calculation of Funds from Operations

The National Association of Real Estate Investment Trusts ("NAREIT") has issued a standard definition for Funds from operations (as defined below). The SEC has agreed to the disclosure of this non-GAAP financial measure on a per share basis in its Release No, 34-47226, Conditions for Use of Non-GAAP financial Measures. The Company believes that the calculation of Funds from operations is helpful to investors and management as it is a measure of the Company's operating performance that excludes depreciation and gains and losses from property dispositions. As a result, year over year comparison of Funds from operations reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, development activities, general and administrative expenses, and interest costs, providing perspective not immediately apparent from net income. In addition, management believes that Funds from operations provides useful information to the investment community about the Company's financial performance when compared to other REITs since Funds from operations is generally recognized as the standard for reporting the operating performance of a REIT. Funds from operations available to common shareholders is defined by NAREIT as bet income (computed in accordance with generally accepted accounting principles ("GAAP")), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations available to common shareholders does not represent net income or cash flows from operations as defined by GAAP and does not necessarily indicate that cash flows will be sufficient to fund cash needs. It should not be considered as an alternative to net income as an indicator of the Company's operating performance or to cash flows as a measure of liquidity. Funds from operations available to common shareholders also does not represent cash flows generated from operating, investing or financing activities as defin

Funds from operations ("FFO") available to common shareholders for the years ended December 31, 2006, 2005, and 2004 are as follows (in thousands, except per share amounts):

	YEAR ENDED DECEMBER 31,	
	2006 2005 2004	_
Reconciliation of net income to FFO - basic Net income	<u>\$ 266,574</u> <u>\$ 249,351</u> <u>\$ 161</u>	,443
Basic – income available to common shareholders  Basic – income available to common shareholders per weighted  average share	, , , , , , , , , , , , , , , , , , , ,	,443 191
•	3 2.96 3 2.07 3 1	1 91
Adjustments: Depreciation and amortization of unconsolidated joint ventures Depreciation and amortization of unconsolidated joint ventures Gain on property dispositions Minority interest share in addback for depreciation and amortization and	2,871 1,316 2. 149,606 147,669 133,	,566 1,682 1,502)
gain on property dispositions	(877) (5)	,093)
Funds from operations available to common shareholders - basic	S 282,138 S 282,592 S 279	,096
Basic Funds from operations available to common shareholders per weighted average share	\$ 3.16 \$ 3 <sup>1</sup> .25 \$ 3	3 .30
Reconciliation of net income to FFO – diluted Net income	<u>\$ 266,574</u> <u>\$ 249,351</u> <u>\$ 161,</u>	,443
Diluted - Income available to common shareholders Diluted - Income available to common shareholders per weighted average share		,443 1.88
Adjustments Depreciation and amontization of unconsolidated joint ventures Depreciation and amontization Gain on property dispositions Minority interest ites preferred share distributions	149,606 147,669 133, (136,036) (114,381) (13,	,566 ,682 ,502)
Funds from operations available to common shareholders - diluted	s 294,801 S 293,973 S 291	,144
Diluted Funds from operations available to common shareholders per weighted overage share	\$ 3.12 \$ 3.20 \$	3.25
Reconciliation of weighted average shares; Weighted average common shares—all basic calculations Dilutive shares for long term compensation plans		1,534 ,490
Diluted shares for net income calculations Weighted average common units		,024 ,676
Diluted shares for Funds from operations calculations	94,387 91,931 89	,700

Inflation
Inflation has remained relatively low during the last three years, and as a result, it has not had a significant impact on the Company during this period. The \$600 million Credit Facility and the financing related to the Comcast Center, (see Note 6 to the Company's financial statements) bear interest at variable rates; therefore, the amount of interest payable under the \$600 million Credit Facility and the financing related to the Comcast Center is influenced by changes in short-term interest rates, which tend to be sensitive to inflation. To the extent an increase in inflation would result in increased operating costs, such as in insurance, real estate taxes and utilities, substantially all of the tenants' leases require the tenants to absorb these costs as part of their rental obligations. In addition, inflation also may have the effect of increasing market rental rates.

# ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The dual presentation of financial statements for the Company is required by the SEC. The Company is comprised of two SEC registrants: Liberty Property Trust and Liberty Property Limited Partnership. Accordingly, financial statements are required for each registrant. The financial information contained within the two sets of financial statements is essentially the same.

## Report of Independent Registered Public Accounting Firm

## The Board of Trustees and Shareholders of Liberty Property Trust:

We have audited the accompanying consolidated balance sheets of Liberty Property Trust (the "Trust") as of December 31, 2006 and 2005, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2006. Our audits also included the financial statement schedule listed in the Index to Exhibit 99.1. These financial statements and schedule are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the staindards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Liberty Property Trust at December 31, 2006 and 2005, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Liberty Property Trust's internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2007 (not provided herein) expressed an unqualified opinion thereon.

/s/Emst & Young LLP

Philadelphia, Pennsylvania

February 23, 2007, except for Notes 2, 3, 5, 13, and 14, as to which the date is January 11, 2008

# CONSOLIDATED BALANCE SHEETS OF LIBERTY PROPERTY TRUST (IN THOUSANDS, EXCEPT SHARE AMOUNTS)

									DECEMBEI	R 31,
ASSETS Real estate:	- 1985 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	<u>.</u>		Q.A. 1919 5		y ##1		isati i	2006	2005
Land and land improvements Buildings and improvements Less accumulated depreciation	4.5 ° ° ° ° ° ° ° ° ° ° ° ° ° ° ° ° ° ° °			- K1 1				77 777 174 174	666,588 3,735,583 (786,778)	\$ 608,868 3,587,733 (715,983)
Operating real estate									3,615,393	3,480,618
Development in progress Land held for development		•					•		538,521 1 <u>95,</u> 332	324,924 158,653
Net real estate		-							4,349,246	3,964,195
Cash and cash equivalents Restricted cash Accounts receivable Deferred financing and leasing costs Investments in unconsolidated joint Assets held for sale Prepaid expenses and other assets	ventures	and the second s			The state of the s			The second secon	53,737 55,671 23,809 71,894 127,902 54,723 113,150 60,779	61,629 29,085 14,761 72,818 121,483 41,092 146,056 49,203
Total assets								1	4,910,911	\$ 4,500,322
LIABILITIES Mortgage luans Unsecured notes Credit facility Accounts payable Accured interest Dividends and distributions payable Other liabilities	7 (667)		37.					NAME OF THE PROPERTY OF THE PR	185,978 21,955,000 246,960 40,633 36,297 58,961 217,751	\$ 238,728 1,755,000 255,450 32,919 34,892 56,490 164,528
Total liabilities				3.		**			2,741,580	2,538,007
Minority interest									297,727	253,133
SHAREHOLDERS' EQUITY Common shares of beneficial intere- (includes 59,100 in treasury) and as of Docember 31, 2006 and 20 Additional paid-in capital Accumulated other comprehensive i Distributions in excess of net income Common abserts held in treasury, at	1 88,415,764 (includes 59 05, respectively income	,100 in treasury) shares	issued und outstanding					ત્ર્ 	91 1,906,403 20,323 (\$3,886) (1,327)	88 1,799,068 9,906 (98,553) (1,327)
Total shareholders' equity			·	0.5		State of the			1,871,604	1,709,182
Total liabilities and shareholders' eq	quity							1	4,910,911	\$ 4,500,322
See accompanying notes.										

# CONSOLIDATED STATEMENTS OF OPERATIONS OF LIBERTY PROPERTY TRUST (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	_	YEAR ENDED DECEMBER 31,
OPERATING REVENUE	ing and the second of the seco	2006 2005 2004
Rental Operating expense reimbursement		436,279 \$ 423,774 \$ 392,985 185,465 167,929 150,531
Total operating revenue	_	621,744 591,703 543,516
OPERATING EXPENSE Rental property Real estate taxes General and administrative Depreciation and amortization	i de la competitation della competitation dell	125,156 119,217 104,669 66,307 59,990 54,246 46,180 38,123 33,688 135,372 126,808 111,272
Total operating expenses		<u>373,015</u> <u>344,138</u> <u>303,875</u>
Operating Income		248,729 247,565 239,641
OTHER INCOME (EXPENSE) Interest and other income Interest expense	. 1985 1. 1985 1. 1985	9,032 7,182 5,527 (112,153) (111,773) (99,197)
Total other income (expense)	- #	(103,121) (104,591) (93,670)
Income before property dispositions, income taxes, minority (loss) of unconsolidated joint ventures	interest and equity in carnings	145,608 142,974 145,971
Gain on property dispositions Income taxes Minority interest Equity in earnings (loss) of unconsolidated joint ventures		17.628 ,85,673 496 (288) (14,827) (1,820) (19,993) (20,802) (16,684) (,432 2,540 (775)
Income from continuing operations		144,387 195,558 127,188
Discontinued operations, net of minority interest (including dispositions of \$112,620, \$36,537, and \$11,603 for the yill 31, 2006, 2005 and 2004, respectively)	nct gain on property cars ended December	122,187 53,793 34,255
Net income		<u>266,574</u> \$ <u>249,351</u> \$ <u>161,443</u>
Earnings per share Basic. Income from continuing operations Income from discontinued operations	D間( 1730 1170 1750 1750 1777 1777 1777 1777 177	1.61 <b>S</b> 2.25 <b>S</b> 1.50 1.37 0.62 0.41
Income per common share basic	<u>s</u>	2.98 \$ 2.87 \$ 1.91
Diluted: Income from continuing operations Income from discontinued operations		1.60 S 2.21 S 1.48 1.35 0.61 0.40
Income per common share diluted	<u>2</u>	2.95 \$ 2.82 <b>\$</b> 1.88
Weighted average number of common shares outstanding Basic Diluted		89,313 86,986 84,534 90,492 88,376 86,024

See accompanying notes.

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY OF LIBERTY PROPERTY TRUST (IN THOUSANDS)

			SII/ BEN	OMMON ARES OF JEFICIAL TEREST	ADDITIONAL PAID-IN CAPITAL	COMP	MULATED OTHER REHENSIVE ICOME	DISTRIE IN EXC NET IN	ESS OF	COMMON SHARES HELD IN TREASURY	TOTAL SHAREHOLDERS' EQUITY
Balance at January 1, 2004 Net proceeds from the issuance of common shares Net income Distributions on common shares Noncash compensation Minority interest reclassification Foreign currency translation adjustment			<b>S</b>	83 3  - - -	\$ 1,619,949 85,168 - 2,388 (1,592)	<u> </u>	14,710 		(88,518) 	\$ " (1,327)	\$ 1,544,897 85,171 161,443 (206,443) 2,388 (1,592) 10,395
Balance at December 31, 2004 Net proceeds from the issuance of common shares Net income Distributions on common shares Noncash compensation Minority interest reclassification Foreign currency translation	An and a second	1040 1040 1041		2; 2.	5.032		25,105			(1,327)	1,596,259 86,462 249,351 (214,386) 5,032 1,663
adjustment  Balance at December 31, 2005 Net proceeds from the ssuance of common shares Net income Distributions on common shares Noineash compensation Minouty interest reclassification Foreign currency translation adjustment		Service As		3	61,799,068 87,040 6,212 14,083		(15,199) 9,906 		- (98,553) 266,574 221,907)	7 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	(15,199) 1,709,182 87,043 266,574 (221,907) 6,212 14,083
Balance at December 31, 2006			5	91	\$ 1,906,403	5	20,323	<u>s</u>	(53,886)	<u>\$ (1,327)</u>	1,871,604

See accompanying notes.

# CONSOLIDATED STATEMENTS OF CASH FLOWS OF LIBERTY PROPERTY TRUST (IN THOUSANDS)

															YEA	R ENDED DE		31,		
OPERATING ACTIVITIES		ň.		4)	al o	. 18.1						* - 11 - 1	20			2005 S 24			_	2004
Net income Adjustments to reconcile net income to net cash pi Depreciation and amortization Amortization of deferred financing costs Equity in (earnings) loss of unconsolidated join Distributions from unconsolidated join venture Minority interess in net income Gain on property dispositions Noncash compensation	nt ventures	Ę,	g activities:		•									266,574 151,966 4,244 (1,432) 5,692 25,469 130,248) 6,212		15 9 2 (12	19,351 50,722 4,758 (2,540) 4,651 22,965 12,210) 5,032		<b>.</b>	161,443 136,700 4,315 775 682 18,167 (12,099) 2,388
Changes in operating assets and liabilities: Restructed cash Accounts receivable Deferred rent receivable Prepaid expenses and other assets Accounts payable Accrued interest Other habilities	¥***	F		: #			. 81.	. *	·			·		(21,692) (6,879) 924 (14,394) 7,648 1,405 49,412		(1	3,849 1,804 (6,290) (2,488) 8,894 (102) 52,353			(19,334) (8,449) (8,513) (12,046) 8,859 2,166 18,282
Net cash provided by operating activities	<b>دُ</b> س ن	SHEET.		2					1.7		: ::		·	344,901		36	50,749			293,336
INVESTING ACTIVITIES Investment in properties Investments in unconsolidated joint ventures Net proceeds from disposition of properties/land Investment in development in progress Investment in land held for development. Increase in deferred leasing costs			COM Company	f. 	STEEL		. 1.13% . 1.13%	and the second	The self of the se	n meneral in Liberary and a second se	or of the second	2 T.C	(	372,610) (6,239) 492,548 359,959) (79,976) (29,034)		(1 41 (23 (9	24,340) (3,790) (5,144 (5,078) (1,436) (7,133)		4	(253,017) (6,198) 54,140 (105,208) (34,132) (29,560)
Net cash used in investing activities		.34	٠.											355,270)		(28	36,633)		_	(373,975)
FINANCING ACTIVITIES Net proceeds from issuance of common shares Net proceeds from issuance of preferred units Net proceeds from issuance of unsecured notes Repayments of unsecured notes Proceeds from issuance of unsecured notes Repayments of unsecured notes Proceeds from mortgage loans Proceeds from credit facility Increase in deferred financing costs Distributions paid on common shares Contributions from minority interests Distributions to minority interests Distributions to minority interests Distributions so minority interests	, <b>,</b>												(	87,043 26,305 295,393 100,000) (56,406) 725,025 733,515) (1,635) 219,873)		(17 78 (84 (21	36,462 18,686 18,686 18,686 18,686 18,926			85,171 197,517 (100,000) 9,618 (23,592) 477,800 (332,800) (199) (204,339) 1,158 - (20,716)
Net cash (used in) provided by financing activities														(327)		. (3	9,470)			89,618
(Decrease) increase in cash and cash equivalents Increase (decrease) in cash and cash equivalents re Cash and cash equivalents at beginning of year ( Cash and cash equivalents at end of year		reign cur		lation	÷ , .		 	1, 1.1. 4			<b>r</b>			(10,696) 2,804 61,629			34,646 (6,684) 33,667 51,629		<u>s</u>	2,879 21,809 33,667
SUPPLEMENTAL DISCLOSURE OF NONC. Write-off of fully depreciated property and deferre Issuance of operating partnership common units Acquisition of properties Assumption of morgage loans.	d costs	ISACTI M	ONS	, ,		· .							<b>.</b>	87,424 30,000 (3,066) 3,066			33,794 - 51,716) 51,716		<b>s</b> .	27,990 (11,305) 11,305
See accompanying notes.																				

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LIBERTY PROPERTY TRUST

## 1. ORGANIZATION

Liberty Property Trust (the "Trust") is a self-administered and self-managed Maryland real estate investment trust (a "REIT"). Substantially all of the Trust's assets are owned directly or indirectly, and substantially all of the Trust operations are conducted directly or indirectly, by Liberty Property Limited Partnership (the "Operating Partnership" and, together with the Trust and their consolidated subsidiaries, the "Company"). The Trust is the sole general partner and also a limited partner of the Operating Partnership, owning 95.6% of the common equity of the Operating Partnership at December 31, 2006. The Company provides leasing, property management, development, acquisition, and other tenant-related services for a portfolio of industrial and office properties which are located principally within the Mid-Atlantic, Southeastern and Midwestern United States and the United Kingdom.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("US GAAP") requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Principles of Consolidation

The consolidated financial statements of the Company include the Trust, the Operating Partnership and wholly owned subsidiaries and those subsidiaries in which the Company owns a majority voting interest with the ability to control operations of the subsidiaries and where no approval, veto or other important rights have been granted to the minority shareholders. All significant intercompany transactions and accounts have been eliminated.

### Reclassification

Certain amounts from prior years have been reclassified to conform to current-year presentation.

### Real Estate and Depreciation

The properties are recorded at cost and are depreciated using the straight line method over their estimated useful lives. The estimated useful lives are as follows:

Building and improvements Equipment Tenant improvements 40 years (blended) 5 - 10 years Term of the related lease

Expenditures directly related to acquisition or improvement of real estate, including interest and other costs capitalized during development, are included in net real estate and are stated at cost. The capitalized costs include pre-construction costs essential to the development of the property, development and construction costs, interest costs, real estate taxes, development-related salaries and other costs incurred during the period of development. Expenditures for maintenance and repairs are charged to operations as incurred.

In accordance with the Financial Accounting Standards Board ("FASB") Statement of Financial Standards ("SFAS") No. 141, " Business Combinations," the Company allocates the purchase price of real estate to land, building and improvements and intangibles based on the relative fair value of each component. The value ascribed to in-place leases is based on the rental rates for the existing leases compared to market rent for leases of similar terms and present valuing the difference based on market interest rates. Origination values are also assigned to in-place leases, and, where appropriate, value is assigned to customer relationships. The Company depreciates the amounts allocated to building and improvements over 40 years and the amounts allocated to intangible assets relating to in-place leases, which are included in deferred financing and leasing costs and other liabilities in the accompanying consolidated balance sheets, over the remaining term of the related leases.

Once a property is designated as held for sale, no further depreciation expense is recorded. Operations for properties identified as held for sale and/or sold where no continuing involvement exists are presented in discontinued operations for all periods presented.

The Company evaluates its real estate investments and its investments in unconsolidated joint ventures upon occurrence of a significant adverse change in its operations to assess whether any impairment indicators are present that affect the recovery of t

ventures is considered impaired, a loss is recognized to reduce the carrying value of the property to its estimated fair value.

### Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures using the equity method of accounting as the Company exercises significant influence, but does not control these entities. Under the equity method of accounting, the net equity investment of the Company is reflected in the accompanying consolidated balance sheets and the Company's share of net income from the joint ventures is included in the accompanying consolidated statements of operations.

Highly liquid investments with a maturity of three months or less when purchased are classified as cash equivalents.

Restricted cash includes tenant security deposits and escrow funds that the Company maintains pursuant to certain mortgage loans. Restricted cash also includes the undistributed proceeds from the sale of residential land in Kent County, United Kingdom.

### Accounts Receivable

The Company's accounts receivable are comprised of rents and charges for property operating costs due from tenants. The Company periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are collectible. Based on this review, accounts receivable are reduced by an allowance for doubtful accounts. The Company considers tenant credit quality and payment history and general economic conditions in determining the allowance for doubtful accounts. If the accounts receivable balance is subsequently deemed uncollectible, the receivable and allowance for doubtful account balance is written off.

The allowance for doubtful accounts at December 31, 2006 and 2005 was \$5.1 million and \$6.7 million, respectively.

### Deferred Rent Receivable

The Company's deferred rent receivable represents the cumulative difference between rent revenue recognized on a straight line basis and contractual payments due under the terms of tenant leases.

The Company earns rental income under operating leases with tenants. Rental income is recognized on a straight line basis over the applicable lease term. Operating expense reimbursements consisting of amounts due from tenants for real estate taxes, utilities and other recoverable costs are recognized as revenue in the period in which the corresponding expenses are incurred.

Termination fees (included in rental revenue) are fees that the Company has agreed to accept in consideration for permitting certain tenants to terminate their lease prior to the contractual expiration date. The Company recognizes termination fees in accordance with Staff Accounting Bulletin 104 when the following conditions are met:

- a) the termination agreement is executed,b) the termination fee is determinable,
- c) all landlord services, pursuant to the terminated lease, have been rendered, and
- d) collectibility of the termination fee is assured.

## Deferred Financing and Leasing Costs

Costs incurred in connection with financing or leasing are capitalized and amortized over the term of the related loan or lease. Deferred financing cost amortization is reported as interest expense. Intangible assets related to acquired in-place leases are amortized over the terms of the related leases.

## Costs Incurred for Preferred Unit Issuance

Costs incurred in connection with the Company's preferred unit issuances are reflected as a reduction of minority interest.

## Income per Common Share

The following table sets forth the computation of basic and diluted income per common share (in thousands, except per share amounts):

								INCOME (NUMERATOR)	2006 WEIGHTED AVERAGE SHARES (DENOMINATOR)			2005 WEIGHTED AVERAGE SHARES PER (DENOMINATOR) SHAR
Basic Income from continuing operations Income from continuing operations				,	1.1		•	\$ 144,387	89,313	S 1.61	\$ 195,558	86,986 \$ 2.2
Dilutive shares for long-term compensation plans								·	1,179		=	1,390
Diluted income from continuing operations income from continuing operations and assumed conversions								144,387	90,492	<u>S 1.60</u>	195,558	88,376 <b>S</b> 2.2
Basic income from discontinued operations Discontinued operations net of rumonty interest Dibutive shares for long-term compensation plans								122,187	89,313 1,179	\$ 1.37	-53,793	86,986 <u>\$ 0.6</u> 1,390
Diluted income from discontinued operations Discontinued operations net of minority interest					1.7	* *		122,187	90,492	\$ 1.35	53,793	88,376 <b>5</b> 0 6
Builc Income per common share	1 1 dg		****	0.725	~~ .i. / ··		1. 1.	266,574	89,313	\$ 2.98	249,351	86,986 \$ 2.8
Dilutive shares for long-term compensation plans	1	$v_{\mathbf{x}} = \sum_{i \in \mathcal{N}_{\mathbf{x}_{\mathbf{x}_{i+1}}} \leq i} v_{i+1}$			2.72	41.11.	 	: <u></u>	1,179			1,390
Diluted Income per common share Net income and assumed conversions		*N. 1		· Jakarian		*	 · · · · · ·	<u>\$ 266,574</u>	2004	2.95	S 249,351	88,376 5 2.8
			•					INCOME (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER Share		
Besic income from continuing operations income from continuing operations		٠٠.						\$ 127,188	84,534	<b>S_</b> 1.50		
Dilutive shares for long-term compensation plans					•			<del></del>	1,490			
Diluted income from cuntinuing operations income from continuing operations and assumed conversions							,	127,188	<u>86,024</u>	<u>5 ***: 1 48</u>		
Basic Income from discontinued operations								34,255	84,534	\$ 041		
Discontinued operations net of minority interest Discontinued operations net of minority interest									1,490			
Discontinued operations net of minority interest					3		9 V	34,255	1,490 86,024	V. X. S 0 40		
Discontinued operations net of minority interest Diluture shares for long-term compensation plans Diluted income from discontinued operations	·		1. d.		di di seri.	) lineare		34,255	86,024	*44		

## Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, deferred rent receivable, accounts payable, accrued interest, dividends and distributions payable and other liabilities are reasonable estimates of fair values because of the short-term nature of these instruments. The fair value of the Company's long-term debt, which is based on estimates by management and on rates quoted on December 31, 2006 for comparable loans, exceeds the aggregate carrying value by approximately \$91 million at December 31, 2006.

## Income Taxes

The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, the Company generally is not subject to federal income taxation at the corporate level to the extent it distributes annually at least 90% of its REIT taxable income, as defined in the Code, to its shareholders and satisfies certain other organizational and operational requirements. The Company has met these requirements and, accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements.

Several of the Company's subsidiaries are taxable REIT subsidiaries (each a "TRS") and are subject to federal income taxes. In general, a TRS may perform additional services for tenants and generally may engage in real estate or non-real estate business that are not permitted REIT activities. The Company is also taxed in certain states and the United Kingdom. Accordingly, the Company has recognized federal, state and United Kingdom income taxes in accordance with US GAAP, as applicable. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax on its taxable income at regular corporate rates.

Certain of the Company's taxable REIT subsidiaries have net operating loss carryforwards of approximately \$9.7 million available as of December 31, 2006. These carryforwards begin to expire in 2013. We have considered estimated future taxable income and have determined that a valuation allowance for the full carrying value of net operating loss carryforwards is appropriate.

The Federal tax cost basis of the real estate at December 31, 2006 was \$5.0 billion.

Share Based Compensation
At December 31, 2006, the Company had a share-based employee compensation plan as fully described in Note 10. Effective January 1, 2006 the Company adopted for its share-based employee compensation plan (the "Plan") the provisions of SFAS No. 123(R), "Share-Based Payment" ("SFAS No. 123(R)"), using the modified prospective application method. In accordance with SFAS No. 123(R), share-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense over the employees' requisite service period. In January 2003, the Company adopted the fair value recognition provisions of SFAS No. 123(R), compensation", prospectively for all employee option awards granted, modified, or settled after January 1, 2003. Prior to 2003, the Company accounted for the Plan under the recognition and measurement provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations.

Under the modified prospective application method, results for prior periods have not been restated to reflect the effects of implementing SFAS No. 123(R).

Certain restricted share awards and option awards are subject to accelerated vesting upon retirement. The Company historically accounted for these awards over the explicit service period. Upon adoption of SFAS No. 123 (R), the Company began expensing new awards to individuals qualifying for share acceleration over the substantive service period. Compensation costs relating to awards granted prior to the adoption of SFAS No. 123(R) continue to be expensed over the explicit service period. Had the Company accounted for those awards over the substantive service period, compensation costs for the year ended December 31, 2005 would have increased by \$0.2 million and for the year ended December 31, 2004 would have increased by \$0.5 million.

Included in compensation costs for the year ended December 31, 2006 was a charge of \$0.2 million, which resulted from the accelerated vesting of unvested options and shares during the year ended December 31, 2006.

## Foreign Currency Translation

The functional currency of the Company's United Kingdom operations is pounds sterling. The Company translates the financial statements for the United Kingdom operations into US dollars. Gains and losses resulting from this translation do not impact the results of operations and are included in accumulated other comprehensive income as a separate component of shareholders' equity. Accumulated other comprehensive income consists solely of translation adjustments as described. Other comprehensive income (loss) was \$10.4 million, (\$15.2 million) and \$10.4 million for the years ended December 31, 2006, 2005 and 2004, respectively. Upon sale or upon complete or substantially complete [equidation of a foreign investment, the gain or loss on the sale will include the cumulative translation adjustments that have been previously recorded in other comprehensive income

## Recently Issued Accounting Standards

## SFAS No. 153

In December 2004, the FASB issued SFAS No. 153, "Accounting for Non-monetary Transactions" ("SFAS No. 153"). SFAS No. 153 requires non-monetary exchanges to be accounted for at fair value, recognizing any gain or loss, if the transactions meet a commercial substance criterion and fair value is determinable. The provisions of SFAS No. 153 are effective for non-monetary asset exchanges occurring in fiscal years beginning after June 15, 2005. The Company adopted the provisions of SFAS No. 153 on January 1, 2006 and the adoption did not have a material impact on the Company's results of operations or its financial position.

## EITF Issue 04-5

In June 2005, the FASB ratified its consensus in EITF Issue 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights" ("Issue 04-5"). The effective date for Issue 04-5 was June 29, 2005 for all new or modified partnerships and January 1, 2006 for all other partnerships. The adoption of Issue 04-5 did not have a material impact on the Company's results of operations or its financial position.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"), which defines fair value, establishes a framework for consistently measuring fair value under GAAP, and expands disclosures about fair value measurements. SFAS No. 157 is effective for the Company beginning January 1, 2008, and the provisions of SFAS No. 157 will be applied prospectively as of that date. The Company does not anticipate that the adoption of this statement will have a material effect on its financial position or results of operations.

FIN 48
In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 is an interpretation of SFAS No. 109, "Accounting for Income Taxes," and it seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to the uncertainty in income taxes. FIN 48 is effective for the Company beginning January 1, 2007. The cumulative effect, if any, of applying FIN 48 is to be reported as an adjustment to the opening balance of retained earnings in the year of adoption. The Company is currently evaluating the financial impact, if any, of the interpretation and will adopt the provisions of FIN 48 on January 1, 2007.

## REAL ESTATE

The Company owns and operates industrial and office properties located principally in suburban mixed-use developments or business parks. The carrying value of these properties by type as of December 31, 2006 and 2005 is as follows, with restated amounts that reflect discontinued operations as of September 30, 2007 (in thousands):

2006 Industrial properties Office properties	· .,		· · · · · · · · · · · · · · · · · · ·		LAND AND LAND IMPROVEMENTS \$ 300,716 365,872	\$ 1,606,151 2,129,432	TOTAL \$ 1,906,867 2,495,304	ACCUMULATED DEPRECIATION S 360,903 425,875
2006 Total					\$ 666,588	S3,735,583	\$ 4,402,171	\$ 786,778
2005 Industrial properties Office properties		*** *** *** *** *** *** *** *** *** **	5.15 6.44	ALLES OF THE	\$ 296,804 312,064	\$ 1,614,194	\$ 1,910,998 2,285,603	\$ 327,093 388,890
2005 Total					\$ 608,868	\$ 3,587,733	\$ 4,196,601	\$ 715,983

Depreciation expense was \$124.9 million in 2006, \$123.3 million in 2005 and \$114.2 million in 2004.

As of December 31, 2006, the Company commenced development on 38 properties, which upon completion are expected to comprise 7.4 million square feet of leaseable space. As of December 31, 2006, \$538.3 million had been expended for the development of these projects and an additional \$475.0 million is estimated to be required for completion.

Information on the operating properties the Company sold during the years ended December 31, 2006 and 2005 is as follows:

SEGMENT	_			•					NUMBER OF BUILDINGS	LEASEABLE SQUARE FEET	PROCEEDS (in thousands)
Delaware Valley			4.1	25.70			 0.00		1700	· ",	(m modamida)
Southeastern Pennsylvania	•	-								1,146,940	\$ 101,700
Other								. * * .	3	155,056	10,760
Midwest						-					
Lehigh Valley		٠.		:					5		109.255
Other				.,					16	2,519,409	134,375
Mid-Atlantic				3:					16	1,449,464	139,300
Florida									3	147,262	7,474
Total				1					46	6,134,889	\$ 502,864
2005 SALES							_				
SEGMENT									NUMBER OF	LEASEABLE SQUARE FEET	PROCEEDS
OEGINIZ-1									DOLLDINGS	SQUAKETEET	(in thousands)
Delaware Valley				1							,,
									. 3.0		
	**			· · · · · · · · · · · · · · · · ·						139,760	\$ 7,864
Southeastern Pennsylvania Other						· :	,	٠٠ ١ <u>٨</u> ٩٨	2 3	139,760 177,733	\$ 7,864 12,333
Southeastern Pennsylvania Other Midwest						. :	,		2 3	177,733	12,333
Southeastern Pennsylvania Other Midwest Lehigh Valley						: :		255) 25	2 3	177,733 142,204	12,333
Southeastern Pennsylvania Other Midwest Lehigh Valley Other						. :	. July	.:55 2:	2 3 2 18	177,733 142,204 400,262	8,676 23,236
Southeastern Pennsylvania Other Midwest Lehigh Valley Other Mid-Atlantic					•	. :	 	.55 } W:	2 3	177,733 142,204 400,262 727,732	8,676 23,236 51,570
Southeastern Pennsylvania Other Midwest Lehigh Valley Other Mid-Atlantic Florida						;	 . July C	.:55 7:	2 3 2 18	177,733 142,204 400,262 727,732 726,632	8,676 23,236 51,570 53,834
Southeastern Pennsylvania Other Midwest Lehigh Valley Other Mid-Atlantic Florida						;	 	.:55 W:	2 3 2 18	177,733 142,204 400,262 727,732	8,676 23,236 51,570
Southeastern Pennsylvania Other Midwest Lehigh Valley Other				one in		;		 .:553 V:	2 3 2 18	177,733 142,204 400,262 727,732 726,632	8,676 23,236 51,570 53,834 263,343

## 4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

## Liberty Venture I, LP

The Company has a 25% interest in Liberty Venture I, LP, an entity engaged in ownership of industrial distribution properties in New Jersey (the Delaware Valley — Other segment). The Company also provides development, leasing and property management services for a fee, and may receive a promoted interest if certain return thresholds are met.

The Company recognized \$634,000, \$934,000, and \$742,000 for development, leasing and property management services during the years ended December 31, 2006, 2005 and 2004, respectively.

## Kings Hill Unit Trust

On December 14, 2005, the Company entered into a joint venture agreement ("Kings Hill Unit Trust") with Doughty Hanson & Co. Real Estate. The Company sold 15 properties with a net book value of \$125.8 million to the joint venture for proceeds of \$219.9 million, Injaddition, the Company holds a \$7.5 million note receivable from the Kings Hill Unit Trust and retained a 20% ownership interest in the joint venture. The note receivable bears interest at a 9% rate. The Company recognized a \$75.1 million gain net of \$14.5 million of tax on the sale of the properties to the Kings Hill Unit Trust. Due to the Company's continuing involvement in this joint venture, the operations to the date of sale, as well as the gain on sale and related taxes are included in income from continuing operations in the accompanying consolidated statements of operations. The properties which were sold are industrial-flex and office properties and were included in the Company's United Kingdom segment. The Company provides property management services for a fee, and may receive a promoted interest if certain return thresholds are met

Income from property management fees and interest was \$1.3 million during the year ended December 31, 2006.

## Liberty/Commerz 1701 JFK Boulevard, LP

On April 13, 2006, the Company entered into a joint venture ("Liberty/Commerz 1701 JFK Boulevard, LP") with an affiliate of Commerzleasing und Immobilien AG, a wholly owned subsidiary of Commerzbank AG, pursuant to which it sold an 80% interest in the equity of Comcast Center, a 1.25 million square foot office tower the Company is developing in Philadelphia, Pennsylvania. The transaction valued the property at \$512 million. In connection with the transaction, the joint venture obtained a \$324 million forward loan commitment at a rate of 6.15% assuming the

loan closes in March 2008. In addition to retaining a 20% interest, the Company will earn leasing and property management fees and may receive a promoted interest if certain return thresholds are met.

Under the terms of the joint venture arrangement, the Company is obligated to complete development of the building, the estimated cost of which is approximately \$495 million, and is also obligated to complete the initial lease up of the property. Based on the updated leasing schedule Liberty may have to fund \$3.5 million in rent support. The criteria for sale recognition in accordance with SFAS No. 66, "Accounting for the Sale of Real Estate." have not been met and this transaction is accounted for as a financing arrangement.

Liberty Illinois, LP
On April 25, 2006, the Company entered into a joint venture ("Liberty Illinois, LP") with the New York State Common Retirement Fund, selling a 75% equity interest in six distribution buildings totaling 2.1 million square feet and 104 acres of developable land. The joint venture valued the buildings and land at \$125.0 million. The Company retained a 25% ownership interest in the joint venture, and will earn development, leasing and property management fees, and may receive a promoted interest if certain return thresholds are met.

During the year ended December 31, 2006 the joint venture began construction on two buildings. Under the terms of the joint venture arrangement, the Company is obligated to complete development of the buildings, the estimated cost of which is approximately \$39 million.

The Company recognized \$777,000 for development and property management services during the year ended December 31, 2006.

## Other Joint Ventures

Sense John Ventures (As of December 31, 2006, the Company had a 50% ownership interest in three additional unconsolidated joint ventures. These joint ventures have investments in properties under development, land or in leaseholds and do not operate or own operating properties.

The Company's share of each of the joint venture's earnings is included in equity in earnings (loss) of unconsolidated joint ventures in the accompanying consolidated statements of operations.

The condensed balance sheets as of December 31, 2006 and 2005 and statements of operations for Liberty Venture I, LP, Liberty Illinois, LP, Kings Hill Unit Trust and other unconsolidated joint ventures for the years ended December 31, 2006, 2005 and 2004 are as follows (in thousands):

			DECEMBER 31, 2006		
	LIBERTY VENTURE I, LP	LIBERTY ILLINOIS, LP	KINGS HILL UNIT TRUST	OTHER	TOTAL
Real estate assets Accumulated depreciation	\$116,324 (10,183)	\$ 119,787 (1,842)	200 100	in <u>engrava</u> naut na	\$ 464,231 (16,238)
Real estate assets, net Development in progress Land held for development Other assets	2,733 13,723	117,945 28,420 8,246 6,214	223,907	24,088 31,078 13,024	447,993 52,508 42,057 53,799
Total assets	\$ 122,597	\$ 160,825	\$ 244,745	\$ 68,190	\$ 596,357
Debt Other liabilities Equity	\$ 74,063 1,182 47,352	\$ 86,681 5,005 69,139	\$ 186,010 49,584 9,151	\$ 10,600 4,420 53,170	\$ 357,354 60,191 178,812
Total liabilities and equity  Company's net investment in unconsolidated joint ventures (1)	\$ 122,597 \$ 11,293	\$ 160,825 \$ 11,259	\$ 244,745 \$ 7,527	\$ 68,190 \$ 24,644	\$ 596,357 \$ 54,723

### Balance Sheets

Real estate assets Accumulated depreciation	4 M	LIBERTY VENTURE I, LP S 121,092 (7,579)	LIBERTY ILLINOIS, LP	DECEMBER 31, 2005  KINGS HILL  UNIT TRUST  \$ 202,200 (284)		OTAL 323,292 (7,863)
Real estate assets, net Development in progress Land held for development Other assets	TABLE CONTRACTOR	113,513 - 2,750 14,922		201,916		315,429 
Total assets	・「温暖など」 - B 1.7 4 - 1.7	<u>\$ 131,185</u>	<u>s</u>	\$- 220,415	\$ 47,792	399,392
Debi Other liabilities Equity		\$ 77,826 2,284 51,075	, regis	\$ \$\\ \frac{163,448}{44,028} \\ \tag{12,939}	\$ <del>-</del> \$ 678 47,114	241,274 46,990 111,128
Total liabilities and equity  Company's net investment in unconsolidated joint ventu	res (I)	\$ 131,185° \$ 12,310	<u>s</u>	\$ 220,415 \$ 7,570	\$ 47,792 \$ \$ \$ 21,212 \$	399,392 41,092

<sup>(1)</sup> Differences between the Company's net investment in unconsolidated joint ventures and its underlying equity in the net assets of the venture is primarily a result of the deferral of gains associated with the sales of properties to joint ventures in which the Company retains an ownership interest. Deferred gains are amortized to equity in earnings (loss) of joint ventures over the average estimated useful lives of the assets sold.

# Statements of Operations:

		ECEMBER 31, 2006
Total revenue	ENTURE 1, LP ILLINOIS, LP UNIT	GS IIILL 7 T TAUST OTHER TOTAL 18,183 \$ - \$ 44,049 "
Operating expense	5,364 1,833	2,181 171 9,549
Interess Depreciation and amonization Other income/(expense) Gain on sale	13,031 5,638 (4,501) (2,527) (4,544) (2,502) (127) 5 2,644	16,002 (171) 34,500 (13,455)
Net income (loss)	6,503 S 614 S	(4,324) <u>\$ 359</u> <u>\$ 3,152</u> (657) <b>\$ 179 \$ 1,432</b>
Company's equity in carnings (loss) of unconsolidated joint ventures	1,651 S 259 S	(657) \$ 179 \$ 1,432
•		ECEMBER 31, 2005
•	LIBERTY LIBERTY KING	GS HILL TTRUST OTHER TOTAL
Total revenue Operating expense	LIBERTY LIBERTY KING	CS HILL
Operating expense  Interest Depreciation and amortization	LIBERTY LIBERTY KIN (XYURE I, L.P. UNIT 18,592 \$ - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	GSHILL TTRUST 745 201 32  544 (634) (386)  (386)  TOTAL 5 19,337 6,092 13,245 (634) (5,203) (5,319)
Operating expense	LIBERTY LIBERTY KIN- INTURE I, LP (UNIT 18,592 S S. 12,733 _ (4,569) S.	CS HILL F TRUST         OTHER         TOTAL S         TOTAL S         19,337 6,092           544 (634)         (32)         13,245 (5,203)         (5,203) (5,203)

## Statements of Operations:

		YEA	R ENDED DECEMBER 31, 2004	<u> </u>	
	LIBERTY VENTURE I, LP	LIBERTY ILLINOIS, LP	KINGS HILL Unit Trust	OTHER	TOTAL
Total revenue Operating expense	\$. 3×18,746 6,736			4.07 <b>.8</b>	\$ 18,746 6,736
Interest Depreciation and amortization	(4,426) (10,683)				12,010 (4,426) (10,683)
Net loss Company's equity in loss of unconsolidated joint ventures	\$ (3,099) \$ (775)	<u>s = = </u>	22	<u> </u>	\$ (3,099) \$ (775)

## DEFERRED FINANCING AND LEASING COSTS

Deferred financing and leasing costs at December 31, 2006 and 2005 are as follows (in thousands):

				2006	BER 31, 2005
Deferred leasing costs Deferred financing costs In-place lease value and related intangible asset			,	 \$ 145,292 8,476 71,496	\$ 150,049 23,266 52,945
Accumulated amortization				225,264 (97,362)	226,260 (104,777)
Total				\$ 127,902	\$ 121,483

# 6. INDEBTEDNESS

Indebtedness consists of mortgage loans, unsecured notes, borrowings under the credit facility and the Liberty/Commerz 1701 JFK Boulevard, LP, financing arrangement. The weighted average interest rates for the years ended December 31, 2006, 2005 and 2004, were 6.6%, 6.6% and 6.7%, respectively. Interest costs during the years ended December 31, 2006, 2005 and 2004 in the amount of \$30.8 million, \$17.7 million and \$13.2 million, respectively, were capitalized. Cash paid for interest for the years ended December 31, 2006, 2005 and 2004, was \$150.2 million, \$148.8 million and \$130.4 million, respectively.

During the year ended December 31, 2006, the Company satisfied a \$100 million 6.95% medium term note and issued a \$300 million 5.50% senior unsecured note due December 15, 2016. The Company used the net proceeds to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

During the year ended December 31, 2005, the Company issued a \$300 million 5.125% senior unsecured note due March 2, 2015. The Company used the net proceeds to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

The Company is subject to financial covenants contained in some of the debt agreements, the most restrictive of which are detailed below under the heading "Credit Facility." As of December 31, 2006 the Company was in compliance with all financial covenants.

# Mortgage Loans, Unsecured Notes

Mortgage loans with maturities ranging from 2007 to 2021 are collateralized by and in some instances cross-collateralized by properties with a net book value of \$330.0 million.

The interest rates on \$2,141.0 million of mortgage loans and unsecured notes are fixed and range from 4.6% to 8.8%. The weighted average remaining term for the mortgage loans and unsecured notes is 6.0 years.

# Credit Facility \$600 Million Unsecured Revolving Credit Facility.

Solo Million Unsecured Revolving Credit Facility.

During the fourth quarter of 2005, the Company obtained a four-year, \$600 million unsecured revolving credit facility due

January 16, 2006. Based on the Company's present ratings, borrowings under the \$600 million Credit Facility are priced at LIBOR plus 65 basis points. The \$600 million Credit Facility contains a competitive bid option,
whereby participating lenders bid on the interest rate to be charged. This feature is available for up to 50% of the amount of the facility. The interest rate on the \$94.0 million of borrowings outstanding as of December 31,
2006 was 5.59%. The current ratings for the Company's senior unsecured debt are Baa2, BBB, and BBB+ from Moody's, S&P and Fitch, respectively. The \$600 million Credit Facility has an accordion feature for an
additional \$200 million. There is also a 15 basis point annual facility fee on the current borrowing capacity. The \$600 million Credit Facility expires on January 16, 2010 and may be extended for a one-year period. The \$600 million Credit Facility contains financial covenants, certain of which are set forth below:

- total debt to total assets may not exceed 0.60:1; earnings before interest, taxes, depreciation and amortization to fixed charges may not be less than 1.50:1;
- unsecured debt to unencumbered asset value must equal or be less than 60%; and unencumbered net operating income to unsecured interest expense must equal or exceed 200%.

# Liberty/Commerz 1701 JFK Boulevard, LP Financing Arrangement

The equity contribution from the Company's joint venture partner in the Liberty/Commerz 1701 JFK Boulevard, LP is treated as a financing arrangement—see Note 4. This equity contribution receives a return equal to the greater of 5% or the current rate on the \$600 million Credit Facility.

The scheduled principal amortization and maturities of the Company's mortgage loans, unsecured notes outstanding, the \$600 million Credit Facility, the Liberty/Commerz 1701 JFK Boulevard, LP financing arrangement and the related weighted average interest rates are as follows (in thousands, except percentages):

		i		Morto	GAGES								WEIGHTED AVERAGE
		•		INCIPAL		NCIPAL	υ	NSECURED		CREDIT			INTEREST
			AMO	RTIZATION	<u>MA1</u>	URITIES	_	NOTES	_5	ACILITY	_	TOTAL	RATE
2007		· 41	. 2	8,820	S	1,553	\$	100,000	. 8	· ·		110,373	7.22%
2008				7,975	-	39,753		~		152,960(1)		200,688	6.15%
2009		4		5,699	. `	46,148		270,000				321,847	7.77%
2010				4,877		4,738		200,000	·	94,000		303,615	7.51%
2011			•	4,153		10.730		250,000		_		.264,883	7.26%
2012				3,274		32,911		235,000		-		271,185	6.47%
2013		li.		2,751		-				-		2,751	6.00%
2014	•	1.		2,894		2,681		200,000		-		205,575	5.65%
2015		N:		3,033				300,000	× '			303,033	5.13%
2016				2,220		_		300,000		_		302,220	5.50%
2017 & thereafter		**		1,768		-		100,000	· <u>-</u>			101,768	7.47%
			<u> </u>	47,464	5	138,514	s	1,955,000	s	246,960	\$	2,387,938	6.55%
			,				_		_				

Liberty/Commerz 1701 JFK Boulevard, LP financing arrangement -- see above

## LEASING ACTIVITY

Future minimum rental payments due from tenants under noncancelable operating leases as of December 31, 2006 are as follows (in thousands):

2007			 			a <sup>‡</sup> i		' S	446,997
2008 2009		٠			and the second	. 114		i	399,549 333,841
2010						nad .			269,376
2011 Thereafter	•				1.14	z.;) .			203,081 468,809
TOTAL			5			<b>!</b> }		.\s.`.	2,121,653

In addition to minimum rental payments, most leases require the tenants to pay for their pro rata share of specified operating expenses. These payments are included as operating expense reimbursement in the accompanying consolidated statements of operations.

## 8. SHAREHOLDERS' EQUITY

### Common Shares

The Company paid to holders of its common shares and holders of its common units distributions of \$228.6 million, \$220.8 million and \$213.3 million during the years ended December 31, 2006, 2005, and 2004, respectively. On a per share basis, the Company paid Common Share and Unit distributions of \$2.465, \$2.445 and \$2.425 during the years ended December 31, 2006, 2005, and 2004, respectively.

For federal income tax purposes, the following table summarizes the portions of the Common Share distributions relating to return of capital, ordinary income, and capital gains:

			2006	2005	2004
Return of capital	10.00				8.0%
Ordinary income	44 ( )		66.6%	62.8%	87.3%
Canital pains					4 7%

The Company's federal income tax returns are subject to examination by taxing authorities. Because the application of tax laws and regulations is susceptible to varying interpretations, the taxability of distributions could be changed at a later date upon final determination by taxing authorities.

#### Treasury Shares

The Company's Board of Trustees authorized a share repurchase plan under which the Company may purchase up to \$100 million of the Company's Common Shares and preferred shares (as defined below).

### **Minority Interest**

Minority interest in the accompanying consolidated financial statements represents the interests of the common and preferred units in Liberty Property Limited Partnership not held by the Trust. Minority interest is adjusted at each period end to reflect the ownership percentage of the common and preferred unitholders at that time. A minority interest reclassification occurs between minority interest and shareholders' equity each period there is a transaction involving ownership interests in Liberty Property Limited Partnership. In addition, minority interest includes third-party ownership interests in two consolidated joint venture investments in the United Kingdom. During 2006, 684,432 common units were issued in connection with an acquisition. No common units were issued in connection with acquisitions during 2005 or 2004. The common units outstanding as of December 31, 2006 have the same economic characteristics as common shares. The 4,189,967 common units share proportionately in the net income or loss and in any distributions of the Operating Partnership and are exchangeable into the same number of common shares of the Trust.

As of December 31, 2006, the Company has 5,800,000 authorized but unissued preferred shares.

The Company has outstanding the following Cumulative Redeemable Preferred Units of the Operating Partnership, (the "Preferred Units"):

DATE OF ISSUE	Issue	AMOUNT UNITS	LIQUIDATION PREFERENCE	DIVIDEND RATE	REDEEMABLE AS OF	EXCHANGEABLE AFTER
7/28/99	Series B	(in 000's) \$95,000 3,800	\$25	7.45%	8/31/09	1/1/14 into Series B Cumulative Redeemable Preferred Shares of the Trust
6/10/02	Series D	\$23,650 473	\$50	7.625%	6/10/07	6/10/12 into Series D Cumulative Redeemable Preferred Shares of the Trust
6/16/05	Series E	\$20,000 400	\$50,	7.00%	6/16/10	6/16/15 into Series E Cumulative Redeemable Preferred Shares of the Trust
6/30/05	Series F	\$44,000 880	\$50	6.65%	6/30/10	6/30/15 into Series F Cumulative Redeemable Preferred Shares of the Trust
8/23/05	Series F	\$ 6,000 120	\$50	6.65%	6/30/10	6/30/15 into Series F Cumulative Redeemable Preferred Shares of the Trust
12/15/06	Series G	\$27,000 540	\$50	6.70%	12/12/11	12/12/16 into Series G Cumulative Redeemable Preferred Shares of the Trust

Effective August 31, 2004, the distribution rate on the \$95 million Series B preferred units was reduced from 9.25% to 7.45%.

During the year ended December 31, 2005, the Company redeemed for \$20 million its outstanding 9.125% Series C Cumulative Redeemable Preferred Units.

The Company paid the following Preferred Unit distributions for the year ended December 31:

							Z006	2005		2004
Distributions (in millio	ns)						\$13.7	\$12.1		\$11.8
Distribution per unit:										
Series B						11	\$1.86	\$1.86		\$2.16
Series C							-	\$1.05		\$2.28
Series D		٠,		~ .	 ٠.	äı	\$3.81	\$3.81		\$3.81
Series E							\$3.50	\$1.90		-
Series F	٠.		 :		1	3:	 \$3.33	\$1.61	- 41	-
Series G							\$0.16	-		_

Shareholder Rights Plan
In December 1997, the Board of Trustees of the Company adopted a shareholder rights plan (the "Shareholder Rights Plan"). Under the Shareholder Rights Plan, one Right (as defined in the Shareholder Rights Plan) was attached to each outstanding common share at the close of business on December 31, 1997. In addition, a Right will be attached to each share of common stock issued in the future. Each Right entitles the registered holder to purchase from the Company, under certain conditions, a unit (a "Rights Plan Unit") consisting of one one-thousandth of a share of common stock issued in the future. Each Right entitles the registered holder to purchase from the Company, under certain conditions, a unit (a "Rights Plan Unit") consisting of one one-thousandth of a share of a Series A Junior Participating Preferred Share, \$0.0001 par value, (the "Junior Preferred Stock"), of the Company, for \$100 per Rights Plan Unit, subject to adjustment. The Rights become exercisable only if a person or group of affiliated or associated persons (an "Acquiring Person") acquires, or obtains the right to acquire, beneficial ownership of common shares or other voting Stock that have 10% or more of the voting power of the outstanding shares of Voting Stock, or if an Acquiring Person commences to make a tender offer or exchange offer to acquire beneficial ownership of Voting Stock that has 10% or more of the voting power of the outstanding shares of Voting Stock. The Rights are redeemable by the Company at a price of \$0.0001 per Right. If not exercised or redeemed, all Rights will expire on December 31, 2007.

#### Dividend Reinvestment and Share Purchase Plan

The Company has a Dividend Reinvestment and Share Purchase Plan under which holders of common shares may elect to automatically reinvest their distributions in additional common shares and may make optional cash payments for additional common shares, The Company may issue additional common shares or repurchase common shares in the open market for purposes of financing its obligations under the Dividend Reinvestment and Share Purchase Plan. During the years ended December 31, 2006, 2005, and 2004, 1,297,867, 1,767,187, and 1,590,488, common shares, respectively, were issued through the Dividend Reinvestment and Share Purchase Plan, The Company used the proceeds to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

#### EMPLOYEE BENEFIT PLANS

The Company maintains a 401(k) plan for the benefit of its full-time employees. The Company matches the employees' contributions up to 3% of the employees' salary and may also make annual discretionary contributions. Total 401(k) expense recognized by the Company was \$940,000. \$716,000 and \$739,000 for the years ended 2006, 2005 and 2004 respectively.

### SHARE BASED COMPENSATION

Options

The Company has authorized the grant of options under the Plan to executive officers, other key employees, non-employee trustees and consultants of up to 12.8 million common shares of the Company. All options are the company has authorized the grant of options under the Plan to executive officers, other key employees, non-employee trustees and consultants of up to 12.8 million common shares of the Company. All options are the company to 20% of the shares exercisable after the first anniversary, up to 50% after the second anniversary and 100% after the granted have 10-year terms and most options vest over a 3-year period, with options to purchase up to 20% of the shares exercisable after the first anniversary, up to 50% after the second anniversary and 100% after the third anniversary of the date of grant.

Share based compensation cost related to options for the years ended December 31, 2006, 2005 and 2004 was \$764,000, \$616,000 and \$349,000, respectively.

Because option awards under the Plan vest over three years, the cost related to share-based employee compensation included in the determination of net income for 2005 and 2004 is less than that which would have been recognized if the fair value based method had been applied to all option awards since the original effective date of SFAS No. 123. The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied to all outstanding and unvested option awards in each period (in thousands, except per share amounts).

					_	YEAR ENDED DEC	EMBER 31,
					_	2005	2004
Net income 34. Add: Share-based compensation expense included in re		.777	Belong of Mari		s	249,351 616	\$ 161,443 349
Deduct: Total share-based employee compensation expensation expensation expensation expensation and share-based methods for all awards	ense determined under fair	100 mg (100 mg) 100 mg (100 mg) 100 mg (100 mg)			3	(746)	(1,199)
Pro forma net income					5	249,221	\$ 160,593
Net income per common share:**  Basic – as reported	Elizabeth Comment	SECTION OF THE	etalise in the em.	The second of the second			S 1,91
Basic - pro forma	of AT TOTAL CARRY OF THE	The second second			s	2.87	\$ 1,91 \$ 1,90 :
Difuted – as reported Difuted – pro forma		,	The state of the s		ς · · · <b>s</b>	2.82	\$ 1.88 \$ 1.87

Pro forma disclosures are not likely to be representative of the effects on reported net income for future years because of the staggered vesting periods of the options.

The fair value of share option awards is estimated on the date of the grant using the Black-Scholes option valuation model. The following weighted-average assumptions were utilized in calculating the fair value of options granted during the periods indicated:

		YEAR ENDED DECEMBER 31,					
		2006	2005	2004			
Risk-free interest rate		4.8%	4.4%	4 0%			
Dividend yield		5.8%	5.9%	6.2%			
Volatility factor	· .	0.188	0.184	0.172			
Weighted-average expected life		7 years	8 years	8 years			

A summary of the Company's share option activity, and related information for the year ended December 31, 2006 follows:

		OPTIONS (000s)	AVERAGE EXERCISE PRICE
Outstanding at January 1, 2006		 3,521 175	\$ 29.31 46.94
Exercised Forfeited		(1,123) (1,123) (1,123)	26:17 42:55
Outstanding at December 31, 2006	1.	2,557	\$ 31.83
Exercisable at December 31, 2006		2,080	\$ 29.07

The weighted average fair value of options granted during the years ended December 31, 2006, 2005 and 2004 was \$5.06, \$3.86 and \$3.15, respectively. Exercise prices for options outstanding as of December 31, 2006 tanged from \$21.88 to \$48.54. The weighted average remaining contractual life of the options outstanding and exercisable at December 31, 2006 was 5.2 years and 4.5 years, respectively.

During the years ended December 31, 2006, 2005 and 2004, the total intrinsic value of share options exercised (the difference between the market price at exercise and the price paid by the individual to exercise the option) was \$23.5 million, \$9.5 million and \$13.7 million, respectively. As of December 31, 2006, the aggregate intrinsic value of options outstanding was \$44.2 million and the aggregate intrinsic value of options exercisable was \$41.7 million. The total cash received from the exercise of options for the years ended December 31, 2006, 2005 and 2004 was \$29.4 million, \$15.8 million and \$22.0 million, respectively. The Company has historically issued new shares to satisfy share option exercises.

As of December 31, 2006, there was \$2.0 million of unrecognized compensation costs related to nonvested options granted under the Plan. That cost is expected to be recognized over a weighted average period of 1.4 years.

### Long Term Incentive Shares ("LTI")

Restricted LTI share grants made under the Plan are valued at the grant date fair value, which is the market price of the underlying common shares, and vest ratably over a 5-year period beginning with the first anniversary of the grant.

Share-based compensation cost related to restricted LTI share grants for the years ended December 31, 2006, 2005 and 2004 were \$3.1 million, \$2.4 million, \$1.5 million, tespectively.

The following table shows a summary of the Company's restricted LTI share activity for the year ended December 31, 2006:

		SHARES (000s)	GRANT DATE FAIR VALUE
Nonvested at January 1, 2006	B	253	\$ 39.10 48.08
Vested	The Country of the	(50)	37.12
Forfested		(10)	40.26
Nonvested at December 31, 2006		271	\$ 42.02

The weighted average fair value of restricted shares granted during the years ended December 31, 2006, 2005 and 2004 was \$48.08 per share, \$41.14 per share and \$42.47 per share. As of December 31, 2006, there was \$11.4 million of total unrecognized compensation cost related to nonvested shares granted under the Plan. That cost is expected to be recognized over a weighted average period of 2.3 years. The total fair value of restricted shares vested during the years ended December 31, 2006, 2005 and 2004 was \$1.9 million, \$1.6 million and \$0.9 million, respectively.

The Plan provides that employees of the Company may elect to receive bonuses or commissions in the form of common shares in lieu of cash ("Bonus Shares"). By making such election, the employee receives shares equal to 120% of the cash value of the bonus or commission, less applicable withholding tax. Bonus Shares issued for the years ended December 31, 2006, 2005 and 2004 were 39,207, 51,055 and 38,575, respectively. Share-based compensation cost related to Bonus Shares for the years ended December 31, 2006, 2005 and 2004 was \$1.9 million, \$2.1 million, respectively.

The Plan provides that employees of the Company, below the officer level, may receive up to 5% of base pay in the form of common shares depending on Company performance. Shares issued in conjunction with the profit sharing plan for the years ended December 31, 2006, 2005 and 2004 were 3,072, 3,126 and 4,092 shares, respectively.

An additional 3,063,169, 1,935,042 and 2,309,159 common shares were reserved for issuance for future grants under the Share Incentive Plan at December 31, 2006, 2005, and 2004, respectively.

The Company registered 750,000 common shares under the Securities Act of 1933, as amended, in connection with an employee share purchase plan ("ESPP"). The ESPP enables eligible employees to purchase shares of the Company, in amounts up to 10% of the employee's salary, at a 15% discount to fair market value. There were 10,491, 8,814 and 9,227 shares issued, in accordance with the ESPP, during the years ended December 31, 2006, 2005 and 2004, respectively.

### 11. COMMITMENTS AND CONTINGENCIES

Substantially all of the Properties and land were subject to Phase I Environmental Assessments and when appropriate Phase II Environmental Assessments (collectively, the "Environmental Assessments") obtained in contemplation of their acquisition by the Company. The Environmental Assessments consisted of, among other activities, a visual inspection of each Property and its neighborhood and a check of pertinent public records. The Environmental Assessments did not reveal, nor is the Company aware of, any non-compliance with environmental laws, environmental liability or other environmental claim that the Company believes would likely have a material adverse effect on the Company.

Although the Company is engaged in litigation incidental to its business, there is no legal proceeding to which it is a party which, in the opinion of management, will materially adversely affect the results of the Company's operations.

The Company is obligated to make additional capital contributions to unconsolidated joint ventures of \$1.0 million.

The Company has letter of credit obligations of \$1.6 million related to development requirements.

The Company maintains cash and cash equivalents at financial institutions. The combined account balances at each institution typically exceed FDIC insurance coverage and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company believes the risk is not significant.

## 12. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

A summary of quarterly results of operations for the years ended December 31, 2006 and 2005 follows. Certain amounts have been reclassified to conform to the current presentation of discontinued operations (in thousands, except per share amounts).

				QUARTE	R ENDED			
	DEC. 31,	SEPT. 30.	JUNE 30,	MAR. 31,	DEC. 31,	SEPT. 30,	JUNE 30,	MAR. 31,
	2006	2006	2006	2006	2005	2005	2005	2005
Operating revenue Income from continuing operations Discontinued operations	\$ 164,361	\$ 155,742	\$ 152,589	\$ 149,052	\$ 149,704	\$ 147,705	\$ 152,520	\$ 141,774
	33,832	32,785	48,436	29,334	100,309	29,669	32,231	33,349
	26,982	14,100	:20,013	61,092	7,007	22,206	12,326	12,254
Income available to common shareholders Income per common share – basic (1) Income per common share – diluted (1)	60,814 \$ 0.67 \$ 0.67	46,885 \$ 0.52 \$ 0.52	68,449 \$ 9 0.77 \$ 0.76	90,426 \$ 1.02 \$ 1.01	107,316 S 1.22 S 1.20	51,875 \$ 0.59 \$ 0.58	44,557 S 0.51 S 0.51	\$ 0.53 \$ 0.52

(1) The sum of quarterly financial data may vary from the annual data due to rounding.

### 13. SEGMENT INFORMATION

The Company operates its portfolio of properties primarily throughout the Mid-Atlantic, Southeastern and Midwestern United States. Additionally, the Company owns certain assets in the United Kingdom. The Company reviews the performance of the portfolio on a geographical basis. As such, the following regions are considered the Company's reportable segments:

REPORTABLE SEGMENTS	MARKETS
Delaware Valley	Southeastern Pennsylvania; New Jersey
Midwest	Lehigh Valley, Pennsylvania; Michigan; Minnesota; Milwaukee; Chicago
Mid-Atlantic	Maryland; Piedmont Triad, NC; Greenville, SC; Richmond; Virginia Beach
Florida	Jacksonville: Orlando: Boca Raton: Tampa; Texas
United Kingdom	County of Keni
, 0	•

The Company's reportable segments are distinct business units which are each managed separately in order to concentrate market knowledge within a geographic area. Within these reportable segments, the Company derives its revenues from its two product types: industrial properties and office properties.

The Company evaluates performance of the reportable segments based on property level operating income, which is calculated as rental revenue and operating expense reimbursement less rental property expenses and real estate taxes. The accounting policies of the reportable segments are the same as those for the Company on a consolidated basis. The operating information by segment is as follows, with restated amounts that reflect discontinued operations as of September 30, 2007 (in thousands):

# YEAR ENDED DECEMBER 31, 2006

· ·	DELAWARE V	ALLEY	M	IDWEST				
Operating revenue	SOUTHEASTERN PENNSYLVANIA S       185,473	OTHER \$. 38,730	LEHIGH VALLEY \$ 85,180	OTHER \$ 79,472	MID-ATLANTIC \$ 120,168	FLORIDA \$ 111,551	UNITED KINGDOM \$ 1,170	TOTAL. \$ 621,744
Rental property expenses and real estate taxes	57,728	12,718	18,747	28,618	36,440	36,952	260	191,463
Property level operating income	\$ 127,745	\$ 26,012	. \$ 66,433.	\$ 50,854	\$ 83,728	\$ 74,599	<u>\$</u> 910	430,281
Interest and other income Interest expense General and administrative Depreciation and amonization		ig ₹ 3 <sup>77</sup> .		KLETYTT LL				9,032 (112,153) (46,180) (135,372)
Income before property dispositions, income taxes, mir and equity in earnings of unconsolidated joint ventu Gain on property dispositions Income taxes Minority interest Equity in earnings of unconsolidated joint ventures Discontinued operations, net of minority interest		".				:		145,608 17,628 (288) (19,993) 1,432 122,187
Net income								s 266,574
YEAR ENDED DECEMBER 31, 2005								
TEAR INDED DECEMBER 31, 2003								
TERRIADED DECEMBER 31, 2003	DELAWARE V	/ALLEY		IDWEST				
Operating revenue	SOUTHEASTERN PENNSYLVANIA	OTHER S 37,521	LEIRGR VALLEY S 77,219	OTHER 5 73,851	MID-ATLANTIC \$ 102,928	FLORIDA \$ 94,767	UNITED KINGDOM \$ 20,329	TOTAL \$ 591,703
	SOUTHEASTERN PENNSYLVANIA	OTHER	Leingh Valley	OTHER			_KINGDOM_	
Operating revenue Rental property expenses	SOUTHEASTERN PENNSYLVANIA \$ 91 185,088	OTHER 37,521	LEMGH VALLEY \$ 77,219	OTHER 5 73,851	\$ 102,928	\$ 94,767 30,996	KINGBOM 20,329	\$ 591,703
Operating revenue Rental property expenses and real estate taxes Property level operating	SOUTHEASTERN PENNSYLVANIA S   185,088	OTHER 5 37,521 13,139	LEIMGH VALLEY \$ 77,219 19,661	OTHER 5 73,851	30,491	\$ 94,767 30,996	KINGDOM \$ 20,329 3,678	\$ 591,703 179,207
Operating revenue Rental property expenses and real estate taxes Property level operating income Interest and other income Interest expense General and administrative	SOUTHEASTERN PENNSYLVANIA 5   185,088 54,927 2   130,161	OTHER \$ 37,521   13,139	LEIMGH VALLEY \$ 77,219 19,661	OTHER 5 73,851	30,491	\$ 94,767 30,996	KINGDOM \$ 20,329 3,678	\$ 591,703

# YEAR ENDED DECEMBER 31, 2004

			RE VALLEY				DWEST								
		IEASTERN SYLVANIA		THER		EHIGH ALLEY		OTHER	MID	-ATLANTIC	Fu	DRIDA	UNITED KINGDOM		TOTAL
Operating revenue	5	175,786	· s	32,680	s	66,731	<u>s</u> .	67,572	2	96,206	\$	84,809	\$ 19,732	\$	543,516
Rental property expenses and real estate taxes		51,219		11,048		17,087	_	24,271		25,758		26,366	3,166		158,915
Property level operating income	<u>s</u>	124,567	<u>s.</u>	21,632	S	49,644	). <u>s</u>	43,301	<u>s</u>	70,448	<u>\$.38</u>	58,443	<u>\$</u> 16,566	1, 3	384,601
Interest and other income Interest expense General and administrative Depreciation and amortization	1 <b>%</b> 27.			1				TOUR	725 . 35.		1.184 21.885 1				5,527 (99,197) (33,688) (111,272)
Income before property dispositions, income taxes, mine		st		,	,							*			
and equity in loss of unconsulidated joint ventures Gain on property dispositions Income taxes		7 25	. ,	7. 1	750 T	- 80:10:1	.486°	: e.	<b>.</b>		i. ui	in di	( The		145,971 496 (1,820)
Minority interest  Equiry in loss of unconsolidated joint ventures  Discontinued operations, net of minority interest	7 *.				•							•			(16,684) (775) 34,255
Net income														5	161,443
PRODUCT TYPE INFORMATION												REAL ESTATI	E RELATED REVEN	UES	<del></del>
										=		YEAR EN	DED DECEMBER 3		2004
Industrial Office										\$	260,200 361,544	\$	2005 247,619 344,084	, <b>s</b>	225,104 318,412
Total operating revenue										5	.621,744	2	591,703	. 5	543,516
ROLLFORWARD OF OPERATING REAL ESTAT	E ASSETS	BY REPOR	TABLES	GMENT					,						
,	South	DELAWAI IEASTERN	E VALLEY			MII EIIIGB	OWEST		`				UNITED		
January 1, 2006 Additions Dispositions December 31, 2006 Accumulated depreciation	PENNS S	1,060,198 74,852 (55,255) 1,079,795	\$	16 803		637,301	S	756,744 36,908 (91,464) 702,188	MID-S	902,819 102,579 (116,680) 888,718	FLI	ORIDA 646,681 275,474 922,155	KINGDOM S 9,838 1,597 S 11,435	30 (SE) \$ 10 (SE)	4,196,601 543,223 (337,653) 4,402,171
Accumulated depreciation Development in progress Land held for development Assets held for sale Other assets	· .			a seedalas (					uaifi Sen in Sen in	and.					(786,778) ; 538,521 195,332 113,150 448,515
Total assets at December 31, 2006														S	4,910,911

## ROLLFORWARD OF OPERATING REAL ESTATE ASSETS BY REPORTABLE SEGMENT

		DELAWARE VA	LLEY	MIDWE	ST				
		SOUTHEASTERN		LEMGH				UNITED	
		PENNSYLVANIA	OTHER	VALLEY	OTHER	MID-ATLANTIC	FLORIDA	KINGDOM	TOTAL
January 1, 2005		\$ "1,020,714.	\$ 190,116	\$ 558,590	\$ 672,035	\$ (818,341	\$ 651,123	\$ 169,304	\$ 4,080,223
Additions	- "	44,071	14,857	84,698	111,551	114,893	37,772	10,832	418,674
Dispositions	,	(4,5R7)	(21,953)	(5,987)	(26,842)	(30,415)	(42,214)	(170,298)	(302,296)
December 31, 2005		\$ 1,060,198	\$ 183,020	\$ 637,301	\$ 756,744	\$ 902,819	\$ 646,681	\$ 9,838	4,196,601
Accumulated depreciation  Development in progress		ar ar				\ \			(715,983) 324,924
Land held for development		SERVE .		•		. :			158,653
Assets held for sale Other assets		er w.							146,056 390,071
Total assets at December 31, 2005	5								\$ 4,500,322

## 14. SFAS NO. 144, "ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS"

#### Discontinued Operations

In accordance with SFAS No. 144, the operating results and gain/(loss) on disposition of real estate for properties sold and held for sale as of September 30, 2007, are reflected in the consolidated statements of operations as discontinued operations. Prior year financial statements have been adjusted for discontinued operations. The proceeds from dispositions of operating properties with no continuing involvement were \$395.9 million and \$200.9 million for the years ended December 31, 2006 and 2005, respectively.

Below is a summary of the results of operations of the properties disposed of and held for sale through September 30, 2007 (in thousands):

•	YE	AR ENDED DECEMBER 3	<u>!,                                    </u>
	2006	2005	2004
Revenues	S 71,329	\$ 102,819	\$ 113,087
Operating expenses	(27,621)	(36,333)	(38,409)
Interest expense	(12,093)	(23,655)	(25,300)
Depreciation and amortization	(16,572)	(23,412)	(25,243)
Income before property dispositions and minority interest	\$ 15,043	\$ .19,419	\$ 24,135

The held for sale properties consist of 28 properties totaling 1,277,000 square feet in the Company's Midwest segment and three properties totaling 308,000 square feet in the Company's Mid-Atlantic segment. The properties held for sale as of December 31, 2006 were sold between January and December 2007.

Interest expense is allocated to discontinued operations as permitted under EITF Issue 87-24, "Allocation of Interest to Discontinued Operations," and such interest expense has been included in computing income from discontinued operations. The allocation of interest expense to discontinued operations was based on the ratio of net assets sold (without continuing involvement) or held for sale to the sum of total net assets plus consolidated debt.

### Asset Impairment

In accordance with SFAS No. 144, during the years ended December 31, 2006 and 2005, the Company recognized impairment losses of \$4.2 million and \$5.3 million, respectively. The 2006 impairment loss of \$4.2 million was primarily related to a 352,000 square foot portfolio of operating properties in the Midwest – Other segment. The 2005 impairment loss of \$5.5 million was primarily related to a portfolio of operating properties equaling 615,000 square feet in the Midwest – Other segment. For the years ended December 31, 2006 and 2005, respectively, \$4.2 million and \$3.7 million related to properties sold or held for sale were included in the caption discontinued operations in the Company's statement of operations. For the years ended December 31, 2005 and 2004, respectively, \$1.6 million and \$1.4 million in impairments were included in the caption gain on property dispositions as a component of income from continuing operations. The Company determined these impairments through a comparison of the aggregate future cash flows (including quoted offer prices) to be generated by the properties to the carrying value of the properties. The Company has evaluated each of the properties and land held for development and has determined that there are no additional valuation adjustments necessary at December 31, 2006.

			ļaiti	al Cost	Costs Capitalized	. Gross Amou	nt Carried at End of	Period		Date of	
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES 1501 Perryman Road	Aberdeen, MD	<u> </u>	\$5,813,324	\$18,874,059	\$ 3,274,480	\$ 5,816,839	\$22,145,024	\$27,961,863	\$ 25 7,560	2005	40 yrs.
2196 Avenue C	Allentown, PA		101,159	3 5CO1510101E	1,347,970	107,307	1,341,822	1,449,129	750,775	1980	40 yrs.
2202 Hanger Place	Allentown, PA	•	137,439	- 1	1,341,155	138,127	1,340,466	1,478,594	826,310	1981	40 yrs.
7437 Industrial Boulevard	Allentown, PA	· -	717,488	5,022,413	2,425,462	726,651	7,438,711	8,165,362	2,459,321	1976	40 yrs.
7339 Industrial Boulevard	Allentown, PA		1,187,776	<sub>2</sub> =.6	6,324,599	1,197,447	6,314,928	7,512,376	1,930,459	1996	40 yrs.
400 Nestle Way	Allentown, PA	22,630,797	8,065,500	13,307,408	27,253,022	8,184,096 2,670,673	27,134,426	35,318,522	7,218,734	1997 1988	40 yrs.
7248 Industrial Boulevard 700 Nestle Way	Allentown, PA Allentown, PA	<u>-</u> -	2,670,849 3,473,120	13,307,408 ,	1,101,923	4,174,970	14,409,506 17,414,590	17,080,179 21,589,560	3,732,710 4,014,467	1998	40 yrs. 40 yrs.
7562 Penn Drive	Allentown, PA	· <u>-</u>	269,614	844,069	184,443	269,614	1,028,512	1,298,126	259,319	1989	40 yrs.
7277 Williams Avenue	Allentown, PA	_	462,964	1,449,009	322,599	463,123	1,771,449	2,234,572	538,729	1989	40 yrs.
7355 Williams Avenue	Allentown, PA	<b>-</b> :	489,749	1,658,091	304,958	489,749	1,963,049	2,452,798	465,129	1998	40 yrs.
794 Roble Road	Allentown, PA	-	1,147,541	6,088,041 3,309,132	1,125,815	1,147,541	7,213,857 3,657,551	8,361,398	1,802,850 839,583	1985 1993	40 yrs.
6923 Schantz Spring Road 7132 Daniels Drive	Allentown, PA Allentown, PA	· · · · · · · · · · · · · · · · · · ·	1,127,805 1,623,326	3,309,132	348,419 4,174,016	1,695,610	7,566,357	4,785,355 9,261,967	1,576,367	1993	40 yrs. 40 yrs.
8014 Industrial Boulevard	Allentown, PA	_	4,019,258	5,101,020	9,446,162	3,645,117	9,820,303	13,465,420	2,218,246	1999	40 угs.
705 Boulder Drive	Allentown, PA		4,484,096	- 1	14,878,034	4,486,836	14,875,294	19,362,130	2,387,484	2001	40 yrs.
651 Boulder Drive	Allentown, PA	•	4,308,646	- ;	13,284,432	4,308,646	13,284,432	17,593,078	2,467,753	2000	40 yrs.
8150 Industrial Boulevard	Allentown, PA		2,564,167		8,906,845	2,571,466	8,899,547	11,471,013	1,421,039	2002	40 yrs.
8250 Industrial Boulevard 650 Boulder Drive	Allentown, PA Allentown, PA	-	1,025,667 5,208,248		5,346,179`` 31,404,856	1,035,854 9,961,788	5,335,991 26,651,316	6,371,846 36,613,104	2,728,758	2002 2002	40 yrs. 40 yrs.
7165 Ambassador Drive	Allentown, PA	· · · · · ·	792,999		4,533,868	804,848	4,522,019	5,326,867	586,086	2002	40 yrs.
200 Boulder Drive	Allentown, PA	· · · -	4,722,683	18,922,645	240,929	4,722,683	19,163,574	23,886,258	1,081,207	2004	40 yrs.
250 Boulder Drive	Allentown, PA	, -	3,623,328	12,099,145	1,144,216	3,719,772	13,146,917	16,866,689	690,330	2004	40 yrs.
6560 Stonegate Drive	Allentown, PA	<del>*</del> .	458,281	· · · · ·	2,839,996	458,945	2,839,332	3,298,277	1,116,992	1989	40 yrs.
6370 Hedgewood Drive 6390 Hedgewood Drive	Allentown, PA Allentown, PA	-	540,795 707,203	7.3	2,765,090	541,459 707,867	3,607,479 2,764,425	4,148,938 3,472,293	1,356,701	1990 1990	40 yrs. 40 yrs.
	Allentown, PA		360,027		3,470,090		3,269,426	3,830,117	1:390,438	1989	40 yrs.
6330 Hedgewood Drive	Allentown, PA		531,268		4,910,864	532,047	4,910,085	5,442,132	2,333,532	1988	40 yrs.
6580 Snowdrift Road	Allentown, PA	4.1	388,328	7=3	3,284,907	389,081	3,284,155	3,673,235	1,459,264	1988	40 yrs.
6540 Stonegate Drive	Allentown, PA		422,042		3,893,307	422,730	3,892,620	4,315,349	1,829,429	1988	40 yrs.
974 Marcon Boulevard 964 Marcon Boulevard	Allentown, PA Allentown, PA	- (4) - (3	143,500 138,816	N 2007 - 6	2,469,917 1,983,002	144,248	2,469,170 1,982,338	2,613,417 2,121,818	4 1,308,676 913,043	1987 1985	40 yrs. 40 yrs.
764 Roble Road	Allentown, PA	<u></u> -	141,069	i in militari	864,405	141,746	863,728	1,005,474	446,399	1985	40 yrs.
3174 Airport Road	Allentown, PA	_	98,986		1,157,004	98,986	1,157,004	1,255,990	727,271	1979	40 yrs.
2201 Hanger Place	Allentown, PA		128,454	:	1,906,472	129,142	1,905,783	2,034,926	1,121,868	1987	40 yrs.
954 Marcon Boulevard	Allentown, PA	_	103,665		1,110,937	104,453	1,110,149	1,214,602	586,982	1981	40 yrs.
754 Robie Road 744 Robie Road	Allentown, PA Allentown, PA	-	162,115 159,771	1,731,885	279,310° 266,454	163,735 161,371	2,009,575 1,999,083	2,173,310 2,160,454	677,125 663,735	1986 1986	40 yrs. 40 yrs.
944 Marcon Boulevard	Allentown, PA		118,521	1,435,479	464,628	119,711	1,898,917	2,018,628	633,568	1986	40 yrs.
6520 Stonegate Drive	Allentown, PA		453,315	- 1,,,,,	1,787,903	484,361	1,756,857	2,241,218	593,896	1996	40 yrs.
2041 Avenue C	Allentown, PA	· –	213,599	1,095,217	83,135	213,879	1,178,072	1,391,951	353,869	1990 .	40 yrs.
7144 Daniels Drive	Allentown, PA	. 5	2,390,217	2,342,761	3,721,684	1,579,169	6,875,493	8,454,662	1,849,083	1975	40 yrs.
7620 Cetronia Road 180,190 Cochrane Drive	Allentown, PA Annapolis, MD	·, —	1,091,806 3,670,256	3,851,456	356,371 22,322,825	1,093,724 3,752,293	4,205,910 22,240,788	5,299,633 25,993,081	1,364,080 8,676,942	1990 1988	40 yrs. 40 yrs.
4606 Richlynn Drive	Belcamp, MD	_	299,600	1,818,861	712,787	299,600	2,531,649	2,831,249	470,711	1985	40 yrs. 40 yrs.
41199 Van Born Road	Bellville, MI	_	1,829,396	6,765,015	509,937	1,829,396	7,274,952	9,104,347	5,269	2005	40 yrs.
	Bellville, MI	. :-	1,829,560	6,454,755	463,975.		6,918,730	8,748,290	5,877	2005	40 yrs.
1655 Valley Center Parkway	Bethlehem, PA	-	214,431 670,290		2,019,753 3,743,118	215,095 545,172	2,019,088 3,868,235	2,234,184 4,413,408	935,846 1,742,880	1993 1997	40 yrs. 40 yrs.
1455 Valley Center Parkway 1640 Valley Center Parkway			359,000	- }	2,538,675	190,728	2,706,947	2,897,675	1,142,900	1997	40 yrs. 40 yrs.
1650 Valley Center Parkway	Bethlehem, PA	· · · · · · · · · · · · · · · · · · ·	359,000	*I:	2,215,932	188,896	2,386,036	2,574,932	942,344	1997.	40 yrs.
1660 Valley Center Parkway			359,000	- '.	2,278,206	188,721	2,448,485	2,637,206	737,276	1998	40 yrs.
83 South Commerce Way	Bethlehem, PA	·	143,661	888,128	520,095	212,744	1,339,140	1,551,884	521,859	1989	40 yrs.
85 South Commerce Way	Bethlehem, PA	· · · · · ·	236,708	987,949	169,265	237,078	1,156,844	1,393,922	312,464	1989	40 yrs.
87 South Commerce Way 89 South Commerce Way	Bethlehem, PA Bethlehem, PA	·	253,886 320,000	1,062,881	223,146 2,011,186	253,886 367,706	1,286,027 1,963,481	1,539,913 2,331,186	383,776	1989 1998	. 40 yrs. 40 yrs.
1525 Valley Center Parkway			475,686	·	7,721,312	804.104	7,392,894	8,196,998	1,900,307	. 1999	40 yrs.
74 West Broad Street	Bethlehem, PA	_	1,096,127		13,371,415	1,099,079	13,368,463	14,467,542	2,582,086	2002	40 yrs.
1605 Valley Center Parkway	Bethlehem, PA	· . · · · · · ·	729,751	1 49	11,065,717	1,766,196	10,029,272	11,795,468	1,779,914	2000	40 yrs.
3400 High Point Boulevard	Bethlehem, PA	-	298,227		3,053,506	662,809	2,688,924	3,351,733	367,073	2002	40 yrs.
1495 Valley Center Parkway 1550 Valley Center Parkway	Bethlehem, PA Bethlehem, PA	·	434,640 196,954	- ;	4,695,697 3,827,587	435,303 197,700	4,695,034 3,826,842	5,130,337 4,024,541	1,544,454 1,470,951	1990 1988	40 yrs. 40 yrs.
1560 Valley Center Parkway	Bethlehem, PA		240,069		4,638,646	240,732		4,024,341	2,078,924	1988	40 yrs.
rane, come, rainnay	- 311101101111 111 1	, , ,	= ,0,000	."	.,,	5,,,,,	,,		-,,-		,

	•		Initia	l Cost	Costs Capitalized	Gross Amoun	t Carried at End of Per	lod		Date of	B
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES		Entunbrance		Dationing	Accountation					711   11111111	
1510 Valley Center Parkway	Bethlehem, PA	_	312,209	_	3,762,171	312,873	3,761,507	4,074,380	1,704,910	1988	40 yrs.
1530 Valley Center Parkway	Bethlehem, PA	* + 1 T T T = -	211,747		3,008,631	212,492	3,007,886	3,220,378	1,256,732	1988	40 yrs.
57 South Commerce Way	Bethlehem, PA		390,839	2,701,161	764,168	395,459	3,460,709	3,856,168	1,189,140	1986	40 yrs.
1685 Valley Center Parkway	Bethlehem, PA	i i i i i i i i i i i i i i i i i i i	244,029		2,283,047	198,482	2,328,594	2,527,076	838,903	1996	40 yrs.
6601-6625 W. 78th Street	Bloomington, MN		2,263,060	, <del>-</del>	38,629,236	2,310,246	38,582,050	40,892,296	7,893,682	1998	40 yrs.
4801 West 81st Street	Bloomington, MN	. · · · · · · · · · · · · · ·	1,624,701	2,494,368	809,469	1,624,701	3,303,836	4,928,537	864,938	1984	40 yrs.
8100 Cedar Avenue	Bloomington, MN		501,313	3,675,416	971,824	501,313	4,647,240	5,148,553	1,214,704	1983	40 yrs.
6161 Green Valley Drive	Bloomington, MN	, -	740,378	3,311,602	732,919	741,194	4,043,704	4,784,898	745,201	1992	40 yrs.
10801 Nesbitt Avenue South	Bloomington, MN	<del>-</del>	784,577	2010 510	4,105,182	786,382 2,060,644	4,103,377 7,152,700	4,889,759 9,213,345	944,251	2001 2002	40 yrs.
5775 West Old Shakopee Road	Bloomington, MN Bloomington, MN	· -	2,052,018 1,263,226	3,849,649 2,360,782	3,311,678 1,954,672	1,264,758	4,313,922	5,578,680	2,366,472 810,571	2002	40 yrs. 40 yrs.
5715 Old Shakopee Road West 5735 Old Shakopee Road West	Bloomington, MN	. –	1,263,226	2,360,782	1,089,640	1,264,758	3,448,890	4,713,648	447,722	2002	40 yrs.
1701 Clint Moore Boulevard	Boca Raton, FL		1,430,884	3,043,553	1,302,089	1,430,937	4,345,589	5,776,526	839,133	1985	40 yrs.
951 Broken Sound Parkway	Boca Raton, FL.		1,426,251	6,098,952	1,234,056	1.426.251	7,333,008	8,759,259	2,037,449	1986	40 yrs.
777 Yamato Road	Boca Raton, FL		4,101,247	16,077,347	4,498,115	4,501,247	20,175,462	24,676,709	5,014,867	1987	40 yrs.
1801 Clint Moore Road	Boca Raton, FL		1,065,068	4,481,644	640,426	1,065,068	5,122,070	6,187,139	1,249,779	1986	40 yrs.
400 Boulder Drive	Breinigsville, PA	•		· · · · -	13,376,989	2,865,575	10,511,414	13,376,989	629,760	2003	40 yrs.
860 Nestle Way	Breinigsville, PA	· ·	8,118,881	18,885,486	1,403,042	8,118,881	20,288,528	28,407,408	671,096	2004	40, yrs.
602 Heron Drive	Bridgeport, NJ		524,728	2,240,478	7,650	524,728	2,248,128	2,772,856	491,389	1996	40 yrs.
245 Executive Drive	Brookfield, WI	a =	577,067	5,197,903	3,816,157	577,067	9,014,060	9,591,127	1,549,221	1984	40 yrs.
16620-16650 W Bluemound Road	Brookfield, WI		586,665	4,289,907	828,882	586,665	5,118,789	5,705,454	984,048	1999	40 yrs.
15800 West Bluemound Road	Brookfield, WI	an beating	1,289,204	8,128,035	948,664	.1,306,811	9,059,092	10,365,903	1,391,720	1994	40 yrs.
20700 Swenson Drive	Brookfield, WI	12,858,381	830,008	12,276,445	478,954	830,999	12,754,408	13,585,406	429,906	2005	40 yrs.
20800 Swenson Drive	Brookfield, WI	5.205.044	1,023,466	10,729,219	418,157	1,025,082	11,145,759	12,170,841	474,180	2005	40 yrs.
20935 Swenson Drive	Brookfield, WI Brookfield, WI	5,295,966	571,389 675,422	10,238,547	658,028	572,158 678,637	10,895,806 9,509,452	11,467,963	391,207 398,554	2005 2005	40 yrs. 40 yrs.
20975 Swenson Drive 20825 Swenson Drive	Brookfield, WI	7,584,291	644,563	8,910,651 3,640,734	602,016 64,858	646,518	3,703,639	4,350,156	111,258	2005	40 yrs.
1485 W. Commerce Avenue	Carlisle, PA		4,249,868	13,886,039	173,427	4,253,027	14,056,308	18,309,335	699,441	2004	40 yrs.
3773 Corporate Parkway	Center Valley, PA	_	738.108	13,000,039	7.605.349	794,874	7,548,583	8,343,457	1,666,953	2001	40 yrs.
1309 Executive Boulevard	Cheaspeake, VA		926,125	_	5,086,632	955.374	5,057,383	6,012,757	733,464	2001	40 yrs.
7 Camegie Plaza	Cherry Hill, NJ		2,000,000	3,493,983	3,217,287	2,005,475	6,705,794	8,711,270	543,140	2004	40 yrs.
1305 Executive Boulevard	Chesapeake, VA	*	861,020	-	4,878,062	1,129,850	4,609,232	5,739,082	691,749	2002	40 yrs.
1313 Executive Boulevard	Chesapeake, VA	` <u>-</u>	1,180,036	_	4,629,615	1,708,050	4,101,602	5,809,652	554,643	2002	40 yrs.
500 Independence Parkway	Chesapeake, VA	3,588,914	864,150	4,427,285	66,501	866,609	4,491,328	5,357,937	352,536	2004	40 yrs.
700 Independence Parkway	Chesapeake, VA	6,903,981	1,950,375	8,273,910	(614,501)	1,951,135	7,658,648	9,609,783	650,222	2004	40 yrs.
501 Independence Parkway	Chesapeake, VA	4,967,909	1,202,556	5,975,538	1,185,556	1,292,273	7,071,376	8,363,650	336,396	2005	40 yrs.
505 Independence Parkway	Chesapeake, VA	5,793,893	1,292,062	6,456,515	1,141,115	1,292,254	7,597,437	8,889,691	380,615	2005	40 yrs.
510 Independence Parkway	Chesapeake, VA	: <del>-</del>	2,012,149	7,546,882	394,344	2,014,689	7,938,686	9,953,375	422,930	2005	40 yrs.
1301 Executive Boulevard	Chesapeake, VA			-	6,113,029	997,570	5,115,459	6,113,029	108,314	2005	40 yrs.
6230 Old Dobbin Lane	Colombia, MD		3,004,075_		7,729,322	2,746,455	7,986,942	10,733,397	161,577	2004	40 yrs.
9101,9111,9115 Guilford Road	Columbia, MD Columbia, MD		758,951	_	3,519,455 5,815,495	765,952 920,439	3,512,453 5,795,210	4,278,406 6,715,649	1,941,815 3,426,185	1984 1983 .	40 yrs. 40 yrs.
9125,9135,9145 Guilford Road 7178-80 Columbia Gateway	Columbia, MD	. : : : : : : : : : : : : : : : : : : :	900,154 1,569,237	4,786,887	1,836,281	1,571,105	6,621,299	8,192,405	2,215,458	1983 .	40 yrs. 40 yrs.
9770 Patuxent Woods Drive	Columbia, MD	그 사람들이 살아 즐겁다.	341,663	3,033,309	907,405	341,663	3,940,714	4,282,377	791,142	1986	40 yrs.
9780 Patuxent Woods Drive	Columbia, MD		218,542	1,940,636	125,207	218.542	2,065,843	2.284.384	504,644	1986	40 yrs.
9790 Patuxent Woods Drive	Columbia, MD	₩ -	243,791	2,164,094	223,402	243,791	2,387,496	2.631,287	669,572	1986	40 yrs.
9810 Patuxent Woods Drive	Columbia, MD		266,684	2,366,901	644,582	266,684	3,011,483	3,278,167	794,236	1986	40 yrs.
9800 Patuxent Woods Drive	Columbia, MD	. : : : :	299,099	2,654,069	531,960	299,099	3,186,029	3,485,129	815,523	1988 🗟	
9820 Patuxent Woods Drive	Columbia, MD	· _	237,779	2,110,835	711,722	237,779	2,822,557	3,060,336	569,893	1988	40 yrs.
9830 Patuxent Woods Drive	Columbia, MD		296,262	, 2,628,933	143,928	296,262	2,772,861.	3,069,124	717,517	1986	40 yrs.
9050 Red Branch Road	Columbia, MD		290,950	2,577,153	802,675	290,950	3,379,828	3,670,778	720,137	1972	40 yrs.
8945-8975 Guilford Road	Columbia, MD,		2,428,795	7,493,740	873,148	2,427,065	8,368,619	10,795,684	1,959,626	1986	40 yrs.
6250 Old Dobbin Lane	Columbia, MD	-	958,105	-	3,590,872	1,295,000	3,253,978	4,548,978	602,208	2002	40 yrs.
6200 Old Dobbin Lane	Columbia, MD		958,105	-	3,736,325	1,295,000	3,399,431	4,694,431	532,591	2002	40 yrs.
6210 Old Dobbin Lane	Columbia, MD	_	958,105	-	3,724,707	1,307,300	3,375,513	4,682,813	622,557	2002	40 yrs.
6250 Old Dobbin Lane	Columbia, MD		958,105	11 210 162	3,780,749	1,599,259	3,139,595	4,738,854	349,799	2000	40 yrs.
5950 Symphony Woods Road 9755 Patuxent Woods Drive	Columbia, MD Columbia, MD	;· -	1,462,762 3,917.094	11,310,187	1,368,440	1,467,623 3,922,382	12,673,767 16,324,943	14,141,389 20,247,324	1,845,734	1986 2006	40 yrs. 40 yrs.
5150 International Drive	Cudahy, WI	-	739,673	16,219,721 5,108,025	110,510 · · · 250,327	741,858	5,356,167	6,098,024	420,347	2006	40 yrs. 40 yrs.
1250 Hall Court	Deer Park, TX	3,063,690	829,570	4,778,327	430,347	829,570	4,778,327	5,607,897	420,347 8,813	2003	40 yrs. 40 yrs.
170 Parkway West	Duncan, SC	1 2,005,030	598,348	3,643,756	68,364	598,918	3,711,550	4,310,468	86,944	2006	40 yrs.
	, <b></b>		2,01010	-10.01150	00,50,	2,04,7.0	-,,550	.,,,,,,,	00,714		,

			Initial	Cost	Costs Capitalized	Gross Amount	Carried at End of Peri	od		Date of	
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES											
190 Parkway West	Duncan, SC	_	551,663	3,463,858	: 34,737	552,211	3,498,047	4,050,258	95,141	2006	40 yrs.
265 Parkway East	Duncan, SC	-	901,444	5,751,389	18,391	902,374	5,768,850	6,671,224	174,266	2006	40 yrs.
285 Parkway East	Duncan, SC		975,433	6,149,465	23,682	976,393	6,172,187	7,148,580	313,732	2006	40 yrs.
3255 Neil Armstrong Boulevard	Eagan, MN	, -	1,131,017		3,393,423	1,131,017	3,393,423	4,524,441	677,048	1998	40 yrs.
6321-6325 Bury Drive	Eden Prairie, MN	. <del>.</del> .	462,876	4,151,790	317,011	462,876	4,468,801	4,931,677	1,213,996	1988	40 yrs.
7660-7716 Golden Triangle Drive	Eden Prairie, MN	· -	568,706	5,115,177	2,817,841	1,289,215	7,212,509	8,501,724	2,440,957	1988	40 yrs.
7400 Flying Cloud Drive 10301-10305 West 70th Street	Eden Prairie, MN Eden Prairie, MN		195,982 120,622	1,762,027	157,281 1 121,763	. 195,982 118,300°	1,919,309	2,115,290 1,327,611	441,713 304,525	1987 1984	40 yrs.
10321 West 70th Street	Eden Prairie, MN		145,198	1,305,700	369,479	142,399	1,677,978	1,820,377	479,554	1984	40 yrs. 40 yrs.
10333 West 70th Street	Eden Prairie, MN	· · · · · [	110,746	995,868	90,782	108,610	1,088,786	1,197,396	257,962	1984	40 yrs.
10349-10357 West 70th Street	Eden Prairie, MN	* · · · · · · · · · · · · · · · · · · ·	275,903		584,392	270,584	3,071,377	3,341,961	737,188	1985	40 yrs.
10365-10375 West 70th Street	Eden Prairie, MN	_	291,077	2,618,194	506,997	285,464	3,130,804	3,416,267	756,087	1985	40 yrs.
10393-10394 West 70th Street	Eden Prairie, MN	g	269,618	2,423,318	775,855	264,419	3,204,372	3,468,791	761,414	1985	40 yrs.
7078 Shady Oak Road	Eden Prairie, MN	· · · ·	343,093	3,085,795	217,201	336,481	3,309,608	3,646,089	790,055	1985	40 yrs.
10400 Viking Drive	Eden Prairie, MN	. <u>-</u> `	2,912,391	÷-	22,843,159	2,938,372	22,817,178	25,755,550	5,724,688	1999	40 yrs.
7695-7699 Anagram Drive	Eden Prairie, MN	. <u>-</u> .	760,525	3,254,758	605,146	760,525	3,859,903	4,620,429	843,591	1997	40 yrs.
7800 Equitable Drive	Eden Prairie, MN		2,188,525	3,788,762	179,519	2,188,525	3,968,281	6,156,806	841,929	1993	40 yrs.
7905 Fuller Road	Eden Prairie, MN		1,229,862	4,075,167	33,365	1,230,965	4,107,430	5,338,395	833,068	1994	40 yrs.
9023 Columbine Road	Eden Prairie, MN	· ± ·	1,956,273	÷	4,873,578	1,956,273	4,873,578	6,829,851	1,058,231	1999	40 yrs.
8967 Columbine Road	Eden Prairie, MN	-	1,450,000	2 124 042	3,575,107	1,450,000	3,575,107	5,025,107	717,864	2000	40 yrs.
7777 Golden Triangle Drive 8937 Columbine Road	Eden Prairie, MN Eden Prairie, MN	-	993,101	2,136,862	1,191,303	993,101 1,739,966	3,328,165	4,321,266	542,633	2000 2001	40 yrs.
7615 Smetana Lane	Eden Prairie, MN		1,325,829 1,011,517	_	4,287,274 8,665,025	3,000,555	3,873,137 6,675,988	5,613,103 9,676,542	676,755 1,378,155	2001	40 yrs. 40 yrs.
8995 Columbine Road	Eden Prairie, MN		1,011,517	_	3,664,053	2,055,296	2,696,352	4,751,648	420 429	2001	40 yrs. 40 yrs.
8911 Columbine Road (B2)	Eden Prairie, MN		916,687		3,608,469	1,718,407	2,806,748	4,525,156	377,488	2000	40 yrs.
8855 Columbine Road	Eden Prairie, MN	_	1,400,925	_	5,226,016	1,599,757	5,027,185	6,626,941	325,388	2000	40 yrs.
27260 Haggerty Road	Farmington Hills, MI		456,877	4,091,196	754,780	456,877	4,845,977	5,302,854	1,273,497	1983	40 yrs.
27200 Haggerty Road	Farmington Hills, MI		382,754	3,425,227	363,784	382,754	3,789,011	4,171,765	1,043,115	1983	40 yrs.
27280 Haggerty Road	Farmington Hills, MI		452,860	4,055,512	443,764	452,860	4,499,276	4,952,136	1,150,855	1983	40 yrs.
27220 Haggerty Road	Farmington Hills, MI		203,064	1,802,592	174,777	203,064	1,977,369	2,180,433	530,662	1985	40 yrs.
27240 Haggerty Road	Farmington Hills, MI		171,518	1,518,192	280,526	171,518	1,798,718	1,970,236	445,822	1985	40 yrs.
27300 Haggerty Road	Farmington Hills, MI		370,378	3,311,366	732,514	370,378	4,043,880	4,414,259	967,017	1985	40 yrs.
26442-26450 Haggerty Road	Farmington Hills, MI		237,687	2,143,478	152,517	237,691	2,295,991	2,533,682	534,548	1988	40 yrs.
26500 Haggerty Road	Farmington Hills, MI		311,093	2,791,804	433,388	311,097	3,225,188	3,536,285	737,282	1986	40 yrs.
26650 Haggerty Road 26700 Haggerty Road	Farmington Hills, MI Farmington Hills, MI		173,166 253,338	1,562,704 2,290,696	143,228	173,170 253,341	1,705,928 2,394,770	1,879,098	378,883 542,406	1988 1986	40 yrs.
26750 Haggerty Road	Farmington Hills, MI		292,717	2,638,688	104,078 250,110	292,720	2,888,795	3,181,515	750,106	1988	40 yrs. 40 yrs.
26800 Haggerty Road	Farmington Hills, MI		175,489	1,583,362	243,691	175,492	1.827.050	2,002,542	500,064	1986	40 yrs.
26842-26850 Haggerry Road	Farmington Hills, MI		239,606	2,160,470	364,314	239,609	2,524,781	2,764,390	707,486	1988	40 yrs.
26600 Haggerty Road	Farmington Hills, MI		455,846	2,100,470	2,921,972	537,693	2,840,125	3,377,818	819,672	1999	40 yrs.
26550 Haggerty Road	Farmington Hills, MI		368,083	_	2,647,709	535,179	2,480,613	3,015,792	658,542	2000	40 yrs.
7028 Snowdrift Road	Fogelville, PA	_	520,473	959,279	262,203	524,390	1,217,565	1,741,954	292,366	1982	40 yrs.
420 Delaware Drive	Fort Washington, PA		2,766,931	-	8,814,580	2,823,257	8,758,255	11,581,511	49,754	2005	40 yrs.
414 Commerce Drive	Fort Washington, PA		1,267,194	2,217,460	177,437	1,267,937	2,394,153	3,662,091	63,339	2004	40 yrs.
275 Commerce Drive	Fort Washington, PA		1,775,894	2,160,855	1,870,359	1,789,302	4,017,806	5,807,108	<del>-</del>	2005	40 yrs.
1250 Virginia Drive	Fort Washington, PA		1,639,166	1,928,574	422,241	1,650,703	2,339,278	3,989,980	23,113	2005	40 yrs.
1100 Virginia Drive	Fort Washington, PA		13,007,509	11,480,744	53,906	13,035,013	11,507,146	24,542,159	197,270	2006	40 yrs.
106 Southchase Boulevard	Fountain Inn, SC	<del>-</del> -	201,944	2.017.224	5,133,389	684,003 475,262	4,651,330	5,335,333	125,941	2005 1995	40 yrs.
9601 Cosner Drive 200 W Cypress Creek Road	Fredericksburg, VA Ft Lauderdale, FL		475,262 3,414,989	3,917,234 2,399,738	214,221 9,866,832	4/3,262 3,414,989	4,131,454 12,266,571	4,606,716 15,681,559	1,177,660	2003	40 yrs. 40 yrs.
5410 - 5430 Northwest 33rd Avenue		in ska Er	603,776	4,176,238	1,101,013	625,111	5,255,916	5,881,027	1,288,523	1985	40 yrs.
6500 NW 12th Avenue	Ft. Lauderdale, FL		7,099	3,046,309	438,216		3,491,624	3,491,624	884,615	1989	40 yrs.
6600 NW 12th Avenue	Ft. Lauderdale, FL	· · · · · · · · · · · · · · · · · · ·	7,102	3,047,462	486,427		3,540,992	3,540,992	912,641	1989	40 yrs.
4880 Cox Road	Glen Allen, VA		743,898	4,499,807	2,746,479	743,898	7,246,286	7,990,184	1,217,434	1995	40 yrs.
5000 Cox Road	Glen Allen, VA	· · · · · · · · · · · · · · · · · · ·	770,214	3,685,248	185,433	771,029	3,869,867	4,640,895		1990	40 yrs.
5500 Cox Road	Glen Allen, VA		443,485		3,347,885	483,263	3,308,107	3,791,370	793,756	1999	40 yrs.
4801 Cox Road	Glen Allen, VA	- 11 f ( ) = 4 i.	1,072,896		10,197,775	1,075,620	10,195,051	11,270,671	2,394,924	1998	40 yrs.
4198 Cox Road	Glen Allen, VA	. , , , <del>, -</del> .	670,292	3,839,245	981,346	670,292	4,820,591	5,490,883	1,290,221	1984	40 yrs.
4510 Cox Road	Glen Allen, VA	- · · · · -	1,010,024	7,151,729	1,751,122	1,010,044	8,902,831	9,912,875	2,447,991	1990	40 yrs.
4121 Cox Road	Glen Allen, VA	-	1,083,006	6,035,653	519,164	1,083,006	6,554,817	7,637,824	436,918	2004	40 yrs.
420 Park Avenue	Greenville, SC Greenville, SC	•	522,548 780,881	2,730,261 6,199,230	977,573 6,430,871	522,548 784,617	3,707,834 12,626,365	4,230,382 13,410,982	1,096,196 2,240,553	1986 1982	40 yrs.
One Independence Pointe	Greenvine, 3C	-	100,001	0,177,230	110,000	704,017	12,020,303	13,710,704	2,240,333	1704	40 утѕ.

	• .		Initi	al Cost	Costs Capitalized	Gross Amo	ount Carried at End of Per	iod		Date of	D laki
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES		entre :						1 45-1-44			
	Greenville, SC	- 12	614,192	3,012,019	1,767,666			5,393,876	1,424,079	1988	40 yrs.
	Greenville, SC	1.39579197	.x	1.00	3,555,776	467,438	3,088,339	3,555,776	587,548 616,674	2002	40 yrs.
	Greenville, SC	ALMITTER OF THE	512,911		3,286,804 6,273,615	467,438 515,542	2,819,366 6,270,984	3,286,804 6,786,525	478,893	2002 2003	40 yrs. 40 yrs.
	Greenville, SC		312,911	***** <u> </u>	3,061,966	545,698	2,516,268	3,061,966	195,504	2003	40 yrs.
	Greenville, SC	h	371,600		3,168,228	682,881	2,856,946	3,539,828	30,935	2005	40 yrs.
1 Enterprise Parkway	Hampton, VA	- P. S. S.	974,675	5,579,869		974,675	6,762,044	7,736,719	1,737,849	1987	40 yrs.
22 Enterprise Parkway	Hampton, VA		1,097,368	6,760,778	856,086	1,097,368	7,616,864	8,714,232	2,061,113	1990	40 yrs.
	Hampton, VA.	1880s - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	207,368		1,663,695	212,694	1,658,368	1,871,063	428,848	1999	40 yrs.
	Hampton, VA	383,605	263,668	8,167,118	511,240	265,719	8,676,307	8,942,026	1,386,213	1999	40 yrs.
	Hampton, VA.	3" =	750,769	2,911,149 1,959,671	260,815 79,319	710,486 1,104,359	3,212,247 2,038,990	3,922,733 3,143,349	264,018 453,669	2003 1983	40 yrs. 40 yrs.
	Hanover, MD Harrisburg, PA	–	1,104,359	19,991,436	4,120,570	5,687,013	23,619,865	29,306,878	1,197,404	2005	40 yrs. 40 yrs.
4170 Mendenhall Oaks Parkway	High Point, NC		143,699	-	2,210,943	373,502	1,981,140	2,354,642	543,603	1999	40 yrs.
	High Point , NC	_	121,329	_	1,836,257	315,614	1,641,972	1,957,586	506,298	1999-	40 yrs.
	High Point, NC	_	801,902	_	19,610,267	2,042,159	18,370,011	20,412,169	3,868,705	1998	40 yrs.
	High Point, NC		234,564	_	2,404,561	235,698	2,403,427	2,639,125	1,058,454	1988	40 yrs.
	High Point, NC	-	319,289	-	2,630,880	320,450	2,629,719	2,950,169	1,156.811	1989	40 yrs.
	High Point, NC		230,622	_	2,333,337	231,692	2,332,268	2,563,959	1,087,232	1989	40 yrs.
	High Point, NC High Point, NC	·	1,165,664 182,810		3,467,001 2,364,005	655,240 183,888	3,977,424 2,362,926	4,632,665 2,546,815	1,593,141 1,039,384	1990 1989	40 yrs. 40 yrs.
	High Point, NC	4,545,898	521,122		7,238,387	825,092	6,934,416	7,759,509	3,316,305	1995	40 yrs.
	High Point, NC	1,545,070	484,001		2,755,206	173,623		3,239,208	1,019,455	1996	· 40 yrs.
	High Point, NC	· · · · · ·	592,885	4,825,615	807,718	597,368	5,628,850	6,226,218	1,733,031	1989	40 yrs.
	High Point, NC	웹비트 레이트	282,996		2,210,549	283,368	2,210,177	2,493,545	727,018	1997	40 yrs.
	High Point, NC		143,661		1,225,791	132,655	1,236,797	1,369,452	430,335	1997	40 yrs.
	High Point, NC		285,882		3,351,586	545,627	3,091,841	3,637,468	725,642	1998	40 yrs.
	High Point, NC		102,372	,. , . = .	2,598,532	265,991	2,434,913	2,700,904	647,095 709,040	1999	40 yrs.
	High Point, NC	#. ~ <u>-</u>	66,731 264,038	- Arriver - E	2,250,342 2,090,460	173,889 276,038	2,143,184 2,078,460	2,317,073 2,354,498	367,817	1999	40 yrs. 40 yrs.
	High Point, NC	maria ya Ti	499,500		3.052,846	500,980	3,051,365	3,552,346	563,934	2000	40 yrs.
	High Point, NC	· · · -	122,203	· · · <u>-</u>	3,748,139	526,266	3,344,076	3,870,342	1,096,678	2001	40 yrs.
	High Point, NC	; · · · −	100,106		3,430,702	431,106	3,099,702	3,530,808	723,686	2001	40 yrs.
4020 Meeting Way	High Point, NC	· -	94,232		1,682,699	378,101	1,398,830	1,776,931	313,939	2001	40 yrs.
	High Point, NC		172,320	-	7,145,926	984,672	6,333,574	7,318,246	1,020,098	2002	40 yrs.
	High Point, NC	-	217,943	-	3,119,682	611,166	2,726,459	3,337,625	422,224	2002	40 yrs.
	High Point, NC	-	510,000 107,586	-	2,792,495 3,349,592	511,869 <sup>1</sup> 505,700	2,790,626 2,951,478	3,302,495 3,457,178	141,901 120,322	2003	40 yrs. 40 yrs.
	High Point, NC	_	107,380	_	1,860,213	665,239	1,194,974	1,860,213	14,800	2004	40 yrs.
	Horsham, PA	5,804,315	3,102,784	_	11,902,626	3,764,784	11,240,627	15,005,410	2,877,003	1996	40 yrs.
	Horsham, PA	, -	1,333,642	-	4,219,965	1,408,041	4,145,566	5,553,607	1,331,664	1998	40 yrs.
	Horsham, PA		180,459	1,441,473	358,107	180,459	1,799,579	1,980,038	566,487	1983	40 yrs.
	Horsham, PA	b  -	282,493	2,256,508	1,347,544	282,493	3,604,051	3,886,545	1,094,113	1983	40 yrs.
	Horsham, PA		1,281,870	7,767,374	1,614,038	1,265,363	9,397,919	10,663,282	2,775,835	1989 2000	40 yrs.
	Horsham, PA	si daki 🗝	638,513	5,811,323	9,658,857 1,627,733	1,939,7125 638,513	8,785,096 7,439,056	10,724,809 8,077,569	1,749,887	2000 1990	40 yrs. 40 yrs.
	Horsham, PA	ig meet <u>I</u> n	629,944	5,733,228	1,027,733	629,944	6,935,006	7,564,950	2,143,096	1990	
	Horsham, PA		629,944	5,733,234	1,578,115	629,944	7,311,349	7,941,293	2,295,152	1990	40 yrs.
	Horsham, PA		1,058,901	5,343,606	1,041,557	1,058,901	6,385,163	7,444,064	2,059,580	1986	40 yrs.
181-187 Gibraltar Road	Horsham, PA		360,549	3,259,984	506,596	360,549	3,766,580	4,127,129	1,094,203	1982	40 yrs.
	Horsham, PA	an der ⊒:	330,111	2,981,669	233,299	330,111	3,214,968	3,545,079	705,425	1974	40 yrs.
	Horsham, PA	, _	292,360	2,411,677	871,555	393,019	3,182,573	3,575,591	970,834	1975	40 yrs.
	Horsham, PA	· -	489,032 294,673	4,126,151 2,663,722	613,296 987,299	489,032 294,673	4,739,447 3,651,020	5,228,479 3,945,694	1,272,980 856,934	1981 1976	40 yrs. 40 yrs.
	Horsham, PA		270,906	2,448,500	795,126	270,906	3,243,625	3,514,531	1.044,383	1978	40 yrs.
	Horsham, PA	•	464,871	3,951,972	141,841	464,871	4,093,813	4,558,684	942,660	1978	40 yrs.
210-223 Witmer Road	Horsham, PA	., -	270,282	2,441,276	1,761,333	270,282	4,202,609	4,472,891	959,764	1972	40 yrs.
	Horsham, PA	•	436,952	3,948,963	699,674	436,952	4,648,636	5,085,589	1,155,695	1981	40 yrs.
	Horsham, PA		38,729	349,811	9,589	38,729	359,400	398,129	. 81,406	1975	40 yrs.
	Horsham, PA	-	651,990	5,888,989 895,470	1,376,885	732,552 208,140	7,185,312 1,548,102	7,917,864	1,741,900	1977 1973	40 yrs.
	Horsham, PA 🏋 Horsham, PA		208,140 351,072	3,171,001	652,633 334,495	451,731	3,404,836	1,756,243 3,856,568	357,080 823,288	1975	40 yrs. 40 yrs.
	Horsham, PA		350,561	3,166,389	640,212	452,251		4,157,162	892,449	1975	40 yrs.
	i-inmind II,		220,231	21.00,203	0.0,212	.52,251	2,.0.4,511	,,,,,,,,	0,2,11,		,5 7.5.

			Initi	al Cost	Costs Capitalized	Grass Amou	nt Carried at End of Per	riod		Date of	
Destant	Location	F	Land	D. 11.0	Subsequent to	Land and	Building and	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or	Depreciable life
OPERATING PROPERTIES	Lacation	Encumbrances	Land	Building	Acquisition	Improvements	Improvements	12/31/2006	12/31/06	Acquisition	(years)
120 Gibraltar Road	Horsham, PA	_	533,142	4,830,515	973,788	558,142	5,779,303	6.337,445	1,392,610	1980	40 yrs.
110 Gibraltar Road	Horsham, PA	_	673,041	5,776,369	2,170,108	673,041	7,946,477	8,619,518	1,938,777	1979	40 yrs.
100-107 Lakeside Drive	Horsham, PA	_	239,528	2,163,498	659,861	255,528	2,807,359	3,062,887	844,384	1982	40 yrs.
200-264 Lakeside Drive	Horsham, PA	·	502,705	4,540,597	915,265	ీనిన్ 502,705	5,455,862	5,958,567	1,609,702	1982	40 yrs.
300-309 Lakeside Drive	Horsham, PA	`	369,475	3,338,761	1,710,844	376,475	5,042,605	5,419,080	1,681,475	1982	40 yrs.
400-445 Lakeside Drive	Horsham, PA		×543,628	4,910,226	2,760,384	583,628	7,630,610	8,214,238	2,059,164	1981	40 yrs.
104 Witmer Road	Horsham, PA	•	1,248,148	-	1,133,479	189,793	2,191,834	2,381,627	735,818	1975	40 yrs.
201 Gibraltar Road	Horsham, PA	- 12 Miles	380,127	3,433,433	1,997,494	380,802	5,430,252	5,811,054	1,285,924	1983	40 yrs. *
719 Dresher Road	Horsham, PA	•	493,426	2,812,067	205,125	495,112	3,015,506	3,510,618	669,434	1987	40 yrs.
4 Walnut Grove	Horsham, PA	. #S	2,515,115		7,329,299	2,515,115	7,329,299	9,844,415	1,405,252	1999	40 yrs.
300 Welsh Road	Horsham, PA		696,061	3,339,991	547,772	696,061	3,887,762	4,583,823	866,821	1985	40 yrs.
700 Dresher Road	Horsham, PA	·	2,551,777	. 3,020,638%	4,641,908	2,565,140	7,649,183	10,214,323	. 3,175,714	1987	, 40 yrs.
680 Blair Mill Road	Horsham, PA	<del>-</del>	3,527,151		12,039,009	4,138,577	11,427,583	15,566,160	2,583,511	2001	40 yrs.
102 Rock Road	Horsham, PA	· · · -	1,110,209	2,301,302		1,114,985	3,429,717	4,544,702	474,800	1985	40 yrs.
335 Commerce Drive	Horsham, PA	-	_		8,736,456	182,400	8,554,056	8,736,456	470,505	2002	40 yrs.
255 Business Center Drive	Horsham, PA	- · · · · · -	1,086,356	2,007,214	496,797	1,078,769	2,511,597	3,590,366	206,020	2003	40 yrs.
355 Business Center Drive	Horsham, PA	,	483,045	898,798	275,266	479,200	1,177,910	1,657,110	129,780	2003	40 yrs.
455 Business Center Drive	Horsham, PA	_	1,351,011	2,503,449	1,668,600	1,343,370	4,179,690	5,523,060	548,149	2003	40 yrs.
555 Business Center Drive	Horsham, PA	-	727,420	1,353,650	213,228	723,016	1,571,283	2,294,299	212,922	2003	40 yrs.
747 Dresher Road	Horsham, PA	-	1,607,238	· -	4,935,054	1,607,977	4,934,315	6,542,292	2,185,045	1988	40 yrs.
507 Prudential Road	Horsham, PA	6,268,630	644,900	5,804,100	8,784,448	1,131,380	14,102,068	15,233,448	3,726,697	1988	40 yrs.
767 Electronic Drive	Horsham, PA	*	1,229,685	-	3,319,209	1,241,970	3,306,924	4,548,893	1,461,410	1996	40 yrs.
16445 Air Center Boulevard	Houston, TX		363,339	2,509,186	545,867	363,339	3,055,053	3,418,392	940,458	1997	40 yrs.
16405 Air Center Boulevard	Houston, TX	-	438,853	3,030,396	404,912	438,853	3,435,307	3,874,160		1997	40 yrs.
16580 Air Center Boulevard	Houston, TX	, ,=	289,000	3,559,857	265,899	289,000	3,825,756	4,114,756	834,181	1997	40 yrs.
1755 Trans Central Drive	Houston, TX	in ( in the second in	293,534	3,036,269	190,651	306,147	3,214,306	3,520,453	579,451	1999	40 yrs.
16605 Air Center Boulevard	Houston, TX	-	298,999		3,770,315	496,186	3,573,128	4,069,314	790,837	2002	40 yrs.
10739 West Little York Road	Houston, TX	The second section 2	797,931	5,950,894	242,625	799,560	6,191,890	6,991,450	803,207	1999	40 yrs.
10735 West Little York Road	Houston, TX		1,110,988	6,351,946	1,657,286	1,135,483	7,984,738	9,120,220	712,611	2000	40 yrs.
8801-19 & 8821-49 Fallbrook Drive	Houston, TX	·	2,290,001	15,297,141		2,290,002	16,833,084	19,123,085	1,587,024	2000	40 yrs.
16685 Air Center Boulevard	Houston, TX		(10 452	2 260 016	2,935,268	414,691	2,520,577	2,935,268 4,464,842	184,042 194,007	2004 2004	.40 yrs.
8825-8839 N Sam Houston Pkwy	Houston, TX	` -	638,453	3,258,815	567,574	638,477	3,826,364 3,893,006	4,404,842	227,912	2004	40 yrs.
8850-8872 Fallbrook Drive 8802-8824 Fallbrook Drive	Houston, TX Houston, TX		504,317	2,878,351	1,014,679	504,341 1,114,433	3,893,006 * 7,028,353	8,142,786		2004	40 yrs.
16602 Central Green Boulevard	Houston, TX	·	1,114,406 284,403	6,364,767	663,613 4,496,262	503,779	4,276,886	4,780,665	542,346 149,476	2004	40 yrs. 40 yrs.
20 Wright Avenue	Hunt Valley, MD	<del></del> .	1,205,946	, <u>T</u> .	9,669,027	1,861,025	9,013,948	10.874,973	1,351,645	2001	40 yrs.
4 North Park Drive	Hunt Valley, MD	_	3,269,948	13,551,370	993,133	3,269,948	14,544,504	17,814,451	1,298,941	2003	40 yrs.
6 North Park Drive	Hunt Valley, MD	·	2,077,949	8,770,566	1,109,669	2.077.949	9,880,235	11.958.184	976,602	2003	40 yrs.
10 North Park Drive	Hunt Valley, MD	· -	2,211,969	7,816,042	210,820	2,211,969	8,026,862	10,238,831	625,778	2003	40 yrs.
307 International Circle	Hunt Valley, MD		3,538,319	14,190,832	11,315,040	3,542,881	25,501,310	29,044,191	735,562	2004	40 yrs.
309 International Circle	Hunt Valley, MD	_	613,667	2,458,204	648,156	615,096	3,104,930	3,720,026	120,826	2004	40 yrs.
311 International Circle	Hunt Valley, MD	<u>-</u>	313,365	1,281,093	69,591	314,572	1,349,478	1,664,050	35,808	2004	40 yrs.
8775 Baypine Road	Jacksonville, FL		906,804	1,201,095	3,352,809	913,013	3,346,599	4,259,613	1,490,769	1989	40 yrs.
6255 Lake Gray Boulevard	Jacksonville, FL		813,067	. 3	3,960,328	812,634	3,960,761	4,773,395	2,061,279	∴&1987	40 yrs.
8665,8667,8669 Baypine Road	Jacksonville, FL		966,552		5,892,549	974,959	5,884,142	6,859,101	2,590,822	1987	40 yrs.
7970 Bayberry Road	Jacksonville, FL	as the term of the	127,520	8 - 8 - 2 P	1,369,921	129,979	1.367.462	1,497,441	1,018,453	1978	40 yrs.
7077 Bonneval Road	Jacksonville, FL	- 19 m	768,000	5,789,000	3,066,996	774,020	8,849,976	9,623,996	3,280,922	1988	40 yrs.
4100 D-IC-+ D '1	Jacksonville, FL	ale i 💎 e Eli	821,000	5,866,000	3,229,138	827,420	9,088,718	9,916,138	2 042 020	1986	40 yrs.
7020 AC Skinner Parkway	Jacksonville, FL	in an in the Edition	398,257	3,000,000	2,780,426	749,811	2,428,873	3,178,683	1 020 424	1996	40 yrs.
7022 AC Skinner Parkway	Jacksonville, FL	na mena 📃	706,934	*** a -2	3,593,671		3,446,624	4,300,605	1,319,301	1996	40 yrs.
11777 Central Highway	Jacksonville, FL	· · · · · ·	92,207	429,997	1,275,050	140,426	1,656,828	1,797,254	1,012,104	1985	40 yrs.
4345 Southpoint Parkway	Jacksonville, FL	1.71 ≥ £	, ,20,	722,227	8,791,159	418.093	8,373,065	8,791,159	2,354,624	1998	40 yrs.
7016 AC Skinner Parkway	Jacksonville, FL	- F - 1 - 1	597,181		2,377,385	602,633	2,371,934	2,974,566	1,042,593	1996	40 yrs.
7018 AC Skinner Parkway	Jacksonville, FL		840,996		4,643,140	846,461	4,637,675	5,484,136		1997	40 yrs.
7014 AC Skinner Parkway	Jacksonville, FL		574,198	_	3,633,593	780,486	3,427,305	4,207,791	1,137,784	1999	40 yrs.
6620 Southpoint Drive	Jacksonville, FL		614,602	4,267,477	984,847	614,602	5,252,323	5,866,926	1,528,012	1984	40 yrs.
7980 Bayberry Road	Jacksonville, FL		330,726	1,338,101	32,776	330,726	1,370,877	1,701,603	333,506	1978	40 yrs.
6600 Southpoint Parkway	Jacksonville, FL		998,432	4,055,727	851,752	1,002,704	4,903,207	5,905,911	1,442,391	1986	40 yrs.
6700 Southpoint Parkway	Jacksonville, FL	_	620,719	2,989,746	750,311	624,215	3,736,561	4,360,776	1,326,619	1987	40 yrs.
4801 Executive Park Court - 100	Jacksonville, FL		554.993	2,993,277	1,312,090	554,542	4,305,817	4,860,360	1,335,378	1990	40 yrs.
4801 Executive Park Court - 200	Jacksonville, FL	· _	370,017	1,995,518	348,996	370.039	2,344,492	2,714,531	575,497	1990	40 yrs.
4810 Executive Park Court	Jacksonville, FL		369,694	3.045,639	941.958	370,039	3,987,251	4,357,291	884,986	<b>`` 1990</b>	40 yrs.
6602 Executive Park Court - 100	Jacksonville, FL	<u> </u>	388,519	2,095,293	297,873	388,541	2,393,144	2,781,685	624,753	1993	40 yrs.
COOL EMPERITO I WIN COURT - 100		_	500,517	2,075,275	27.,075	200,241	D,0.0,1.4.4	2,,000	S= .,,, SS		,

	:		Initia	l Cest	Costs Capitalized	Gross Amoun	Carried at End of Peri	od	Accumulated	Date of Construction	Depreciable
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Depreciation 12/31/06	or Acquisition	life (years)
OPERATING PROPERTIES	- u m. m. ii	- <del></del> -	****	1.504.445	440.550	204.020	2015 000			1000***	<del></del>
6602 Executive Park Court - 200	Jacksonville, FL	. : -	296,014	1,596,347	449,559 482,785	296,032 251,627	2,045,888 1,839,620	2,341,920 2,091,247	515,311 609,302	1993 <sup>~~</sup> 1994	40 yrs.
6631 Executive Park Court - 100 6631 Executive Park Court - 200	Jacksonville, FL Jacksonville, FL		251,613 406,561	1,356,849 2,195,070	221,980	407,043	2,416,568	2,823,611	677,090	1994	40 yrs. 40 yrs.
4815 Executive Park Court - 100	Jacksonville, FL		366,317	1,975,393	340,258	366,339	2,315,629	2,681,968	712,134	1995	40 yrs. 40 yrs.
4815 Executive Park Court - 200	Jacksonville, FL	; =	462,522	2,494,397	459,048	462,549	2,953,418	3,415,967	852,379	1995	40 yrs.
4825 Executive Park Court	Jacksonville, FL	. " -	601,278	3,242,491	282,810	601,401	3,525,178	4,126,579	959,847	1996	40 yrs.
4820 Executive Park Court	Jacksonville, FL		555,173	2,693,130	768,348	555,213	3,461,439	4,016,651	909,913	1997	40 yrs.
6501 Executive Park Circle North			551,250	3,128,361	640	551,250	3,129,001	3,680,251	703,615	1992	40 yrs.
4901 Belfort Road	Jacksonville, FL		877,964	2,360,742		877,964	4,327,610	5,205,574	1,599,696	1986	40 yrs.
4899 Belfort Road	Jacksonville, FL	-	1,299,201		8,179,240	1,207,751	8,270,690	9,478,441	1,787,670	2000	40 yrs.
4905 Belfort Street 7251 Salisbury Road	Jacksonville, FU	.1	638,154		3,461,206 3,567,820	641,272 i 662,559	3,458,088 2,905,261	4,099,360 3,567,820	880,635 747,221	2000 2000	40 yrs. 40 yrs.
10245 Centurion Parkway North	Jacksonville, FL	<u>-</u>	852,644	3,510,889	968,204	853,704	4,478,033	5,331,737	1,002,121	1996	40 yrs. 40 yrs.
4887 Belfort Road	Jacksonville, FL	·	1,299,202	2,210,007	7,890,278	1,665,915	7,523,565	9,189,480	1,444,468	2002	40 yrs.
7255 Salisbury Road	Jacksonville, FL	(i	392,060	_	2,982,347	680,766	2,693,641	3,374,407	481,925	2002	40 yrs.
5201 Gate Parkway	Jacksonville, FL	· · · · <u>-</u>	3,836,532	_	21,192,513	4,269,346	20,759,699	25,029,045	446,736	2005	40 yrs.
3200 Horizon Drive	King of Prussia, PA	3 -	928,637	-·.	7,053,358	1,210,137	6,771,857	7,981,995	2,424,253	1996	40 yrs.
440 East Swedesford Road	King of Prussia, PA		717,001	4,816,121	2,684,214	717,001	7,500,335	8,217,336	2,723,279	1988	40 yrs.
460 East Swedesford Road	King of Prussia, PA	,i. –	705,317	4,737,487	3,799,506	705,317	8,536,993	9,242,310	1,888,272	1988	40 yrs.
151 South Warner Road 3604 Horizon Drive	King of Prussia, PA	54 N 4 E	1,218,086 397,178	6,937,866	360,761 1,628,512	1,186,972 350,874	7,329,741 1,674,816	8,516,713 2,025,690	1,860,186 688,143	1980 1998	40 yrs. 40 yrs.
3606 Horizon Drive	King of Prussia, PA		789,409	_	1,947,590	815,855	1,921,144	2,023,690	771,104	1998	40 yrs. 40 yrs.
650 Swedesford Road	King of Prussia, PA	- t I	952,911	6,722,830	9,647,843	952,911	16,370,672	17,323,583	5,840,247	1971	40 yrs.
680 Swedesford Road	King of Prussia, PA		952,361	6,722,830	8,367,206	952,361	15,090,036	16,042,397	5,693,790	1971	40 yrs.
3600 Horizon Drive	King of Prussia! PA	;	236,432	1,856,252	.610,135	236,432	2,466,387	2,702,818	487,948	1989	40 yrs.
3602 Horizon Drive	King of Prussia, PA		217,734	1,759,489	338,288	217,809	2,097,701	2,315,510	545,130	1989	40 yrs.
2700 Horizon Drive	King of Prussia, PA		764,370		3,682,257	867,815	3,578,812	4,446,627	1,125,765	1998	40 yrs.
2900 Horizon Drive 2500 Renaissance Boulevard	King of Prussia, PA King of Prussia, PA		679,440		3,503,074	774,096 592,886	3,408,418	4,182,514 3,295,636	910,904 904,721	1998	40 yrs.
2300 Renaissance Boulevard	King of Prussia, PA	9 -	509,580 509,580	-[-	2,786,056 3,038,151	574,152	2,702,749 2,973,578	3,547,731	764,372	1999	40 yrs, 40 yrs.
2100 Renaissance Boulevard	King of Prussia, PA		1,110,111	_	9.382.851	1,132,519	9,360,443	10,492,962	2.601.425	1999	40 yrs.
3400 Horizon Drive	King of Prussia, PA	· · · · · · · ·	776,496	3,139,068	976,974	776,496	4,116,042	4,892,538	1,110,392	1995	40 yrs.
2301 Renaissance Boulevard	King of Prussia, PA		1,645,246	=	30,063,879	4,581,649	27,127,475	31,709,124	4,096,749	2002	40 yrs.
2520 Renaissance Boulevard	King of Prussia, PA	, , -	1,020,000	-	5,005,045	978,402	5,046,643	6,025,045	1,852,202	1999	40 yrs.
2201 Renaissance Boulevard 2540 Renaissance Boulevard	King of Prussia, PA King of Prussia, PA		-	-	15,548,161	2,413,514 <sup>†</sup> 274,341	13,134,647 1,351,156	15,548,161 1,625,497	3,185,717	2000 2000	40 yrs.
2560 Renaissance Boulevard	King of Prussia, PA	· [		_	3,729,254	649,792	3,079,462	3,729,254	346,016 758,039	2000	40 yrs. 40 yrs.
170 South Warner Road	King of Prussia, PA	_	547,800	3,137,400	3,783,307	458,232	7,010,275	7,468,507	2,965,120	1980	40 yrs.
190 South Warner Road	King of Prussia, PA	, _	552,200	3,162,600	1,739,928	461,909	4,992,819	5,454,728	2,170,397	1980	40 yrs.
3100 Horizon Drive	King of Prussia, PA	_	601,956	· · · -	2,068,047	611,436	2,058,568	2,670,003	750,766	1995	40 yrs.
3500 Horizon Drive	King of Prussia, PA	· .	1,204,839		2,630,229	1,223,875	2,611,193	3,835,068	696,574	1996	40 утв.
3000 Horizon Drive	King of Prussia, PA		1,191,449		2,309,358	946,703	2,554,103	3,500,806	559,994	1997	40 yrs.
800 Town Center Drive 11425 State Highway 225	Langhorne, PA	6 , ' =	. 1,617,150	3,409,036	10,797,563	1,619,288	10,795,425 3,415,173	12,414,713	5,032,511 31,583	1987 2006	40 yrs.
11503 State Highway 225	LaPorte, TX	<u> </u>	975,974 2,561,931	9,779,023	7,682 20,165	977,519 2,565,988	9,795,132	4,392,692 12,361,120	72,104	- 2006	40 yrs. 40 yrs.
7528 Walker Way	Lehigh Valley, PA	- 1	893,441	J,779,023	5,514,510	779,330	5,628,622	6,407,952	157,996	2004	40 yrs.
8301 Industrial Boulevard	Lehigh, PA		11,249,550	· · · · · · · · · · · · · · · · · · ·	44,122,702	11,254,716	44,117,536	55,372,252	1,310,158	2005	40 yrs.
32853 Edward Avenue	Madison Heights, MI		138,121	784,426	(5,207)	138,121	779,219	917,340	210,450	1973	40 yrs.
750 East Mandoline Avenue	Madison Heights, MI		151,458	741,185	(80,456)	151,458	660,728	812,187	172,982	1969	40 yrs.
900 East Mandoline Avenue 31700 Research Park Drive	Madison Heights, MI		157,729	771,872	(43,850)	157,729	728,022 1,665,979	885,751	223,686	1972	40 yrs,
31771 Sherman Avenue	Madison Heights, MI Madison Heights, MI		373,202	1,824,721 645,040	(158,741) (7,564)	373,203 l 150,944	637,475	2,039,182 788,420	382,957 203,445	1988 1982	40 yrs. 40 yrs.
31791 Sherman Avenue	Madison Heights, MI		105,606	649,891	(54,791)	105,606	595,100	700,706	143,185	1983	40 yrs.
31811 Sherman Avenue	Madison Heights, MI		207,599	1,179,010	(149,901)	207,599	1,029,110	1,236,709	254,186	1983	40 yrs.
1201 East Whitcomb Avenue	Madison Heights, MI		302,567		×; (175,088)	302,567	1,038,144	1,340,711	266,116	1980	40 yrs.
1901 Summit Tower Boulevard	Maitland, FL		6,078,791	12,348,567	1,625,469	6,083,206	13,969,622	20,052,828	2,792,232	1998	40 yrs.
45-67 Great Valley Parkway	Malvern, PA	-	795,143	-	3,352,726	795,831	3,352,038	4,147,869	2,136,395	1974	40 yrs.
11,15 Great Valley Parkway 27-43 Great Valley Parkway	Malvern, PA Malvern, PA	, -	1,837,050 448,775	-	15,005,064 2,545,542	1,837,878 · 449,447	15,004,237 2,544,870	16,842,114 2,994,317	9,920,837 1,549,853	1986 1977	40 yrs. 40 yrs.
1 Country View Road	Malvern, PA	`	400,000	3,600,000	1,007,648	406,421	4,601,227	2,994,317 5,007,648	1,396,584	1977	40 yrs. 40 yrs.
200 Chesterfield Parkway	Malvern, PA	_	495,893	2,739,093	558,159	544,649	3,248,496	3,793,145	1,920,292	1989	40 yrs.
50 Morehall Road	Malvern, PA	_	849,576		13,043,717	1,337,076	12,556,217	13,893,293	4,337,326	1997	40 yrs.
l Great Valley Parkway	Malvem, PA	-	419,460	3,792,570	330,704	419,460	4,123,273	4,542,734	1,064,218	1982	40 yrs.

		•	lnitis	il Cost	Costs Capitalized	Gross Amo	unt Carried at End of Per	iod		Date of	
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES 5 Great Valley Parkway	Malvern, PA	_	684,200	6,181,661	1,305,825	684,200	7,487,486	8,171,686	1,853,061	1983	40 yrs.
1001 Cedar Hollow Road	Malvern, PA	:~	1,436,814	. 0,181,001	16,077,184	1,676,470		17,513,998	4,972,256	1998	40 yrs.
3 Country View Road	Malvem, PA	•	814,278		5,142,433	1,128,881	4,827,830	5,956,711	984,217	1998	40 yrs.
425 Technology Drive	Malvem, PA	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	191,114	,	2,101,323	321,473	1,970,964	2,292,437	698,708	1998	40 yrs.
375 Technology Drive	Malvern, PA		191,114		1,958,524	234,922	1,914,715	2,149,638	703,554	1998	40 yrs.
45 Liberty Boulevard 100 Chesterfield Parkway	Malvern, PA* Malvern, PA	· -	4,380,221 1,320,625	-	7,019,034	4,749,748 1,349,954	14,945,341 6,989,705	19,695,089 8,339,659	4,425,097 2,255,284	1999 1998	40 yrs. 40 yrs.
600 Chesterfield Parkway	Malvern, PA	- 4 B	2,013,750	v I	8,135,324	2,050,555	8,098,519	10,149,074	2,360,776	1999	40 yrs.
700 Chesterfield Parkway	Malvern, PA	· · · · · · · · -	2,013,750		8,096,150	2,037,813	8,072,087	10,109,900	2,337,776	1999	40 yrs.
18 Great Valley Parkway	Malvern, PA	-	394,036	3,976,221	99,539	397,293	4,072,504	4,469,796	823,431	1980	40 yrs.
11 Great Valley Parkway	Malvern, PA	_	496,297	-	3,226,924	708,331	3,014,890	3,723,221	672,667	2001	40 yrs.
40 Liberty Boulevard 2 West Liberty Boulevard	Malvern, PA Malvern, PA		4,241,137 5,405,041	17,737,090	2,182,842 11,415,086	4,241,167 5,405,042	19,919,901 11,415,085	24,161,068 16,820,127	5,326,655 400,621	1989 2003	· 40 yrs. 40 yrs.
10 Great Valley Parkway	Malvern, PA	· . <u>-</u>	823,540	1,341,376	256,839	832,244	1,589,510	2,421,754	135,101	2003	40 yrs.
10, 20 Liberty Boulevard	Malvern, PA		724,058	-	5,767,715	724,846	5,766,927	6,491,773	2,492,462	1985	40 yrs.
420 Lapp Road	Malvern, PA	<u>-</u> .	1,054,418	-	6,995,922	1,055,243	6,995,097	8,050,340	3,081,121	1989	40 yrs.
14 Lee Boulevard	Malvern, PA		664,282		5,855,867	643,892	5,876,257	6,520,149	2,676,923	1988	40 утв.
500 Chesterfield Parkway 300-400 Chesterfield Parkway	Malvern, PA Malvern, PA	<del>-</del>	472,364 937,212		3,276,521 5,616,170	473,139 937,942	3,275,746 5,615,440	3,748,885 6,553,382	2,587,331	1988 1988	40 yrs. 40 yrs.
40 Valley Stream Parkway	Malvern, PA		322,918		3,224,458	325,775	3,221,601	3,547,376	1,327,967	: 1987	40 yrs.
50 Valley Stream Parkway	Malvern, PA		323,971		2,694,447	323,792	2,694,627	3,018,418	1,147,301	1987	40 yrs.
20 Valley Stream Parkway	Malvern, PA	<u>'-</u>	465,539	-	5,726,197	466,413	5,725,323	6,191,736	2,874,409	1987	40 yrs.
257-275 Great Valley Parkway	Malvern, PA	-	504,611	_	5,186,454	505,458	5,185,606	5,691,065	2,963,952	1983	40 yrs.
300 Technology Drive 277-293 Great Valley Parkway	Malvern, PA Malvern, PA	-	368,626 530,729	-	1,344,816 2,330,242	374,497 531,534	1,338,945 2,329,436	1,713,442 2,860,971	706,537 1,322,006	1985 1984	40 yrs. 40 yrs.
311 Technology Drive	Malvern, PA		397,131	• -	2,724,819	397,948	2,724,002	3,121,950	1,423,585	1984	40 yrs.
7 Great Valley Parkway	Malvern, PA	_	176,435	_	5,036,553	177,317	5,035,671	5,212,988	2,814,524	1985	40 yrs.
55 Valley Stream Parkway	Malvern, PA	·	215,005	·	4,281,663	215,818	4,280,850	4,496,668	1,915,746	1983	40 yrs.
65 Valley Stream Parkway	Malvern, PA	, <del>-</del>	381,544		7,597,364	382,361	7,596,548	7,978,908	3,914,905	1983	40 yrs.
508 Lapp Road 10 Valley Stream Parkway	Malvern, PA Malvern, PA	-	331,392 509,075		2,033,164 3,089,935	332,216 509,899	2,032,340 3,089,111	2,364,556 3,599,010	1,228,001 1,714,026	1984 1984	40 утs. 40 утs.
333 Phoenixville Pike	Malvern, PA	· ·	523,530	_	2,917,373	524,230	2,916,673	3,440,903	1,580,984	1985	40 yrs.
30 Great Valley Parkway	Malvern, PA	_	128,126	÷	385,634	128,783	384,977	513,760	315,346	1975	40 yrs.
75 Great Valley Parkway	Mulvern, PA	350,090	143,074	<u> </u>	772,841	. 143,811	772,103	915,915	577,889	1977	40 yrs.
77-123 Great Valley Parkway 256 Great Valley Parkway	Malvern, PA Malvern, PA	=	887,664 161,098		5,700,921	888,359 # 161,949	5,700,225 1,784,866	6,588,585 1,946,815	3,391,343 1,157,980	1978 1980	40 yrs. 40 yrs.
205 Great Valley Parkway	Malvern, PA	_	1,368,259		10,706,926	1,369,003	10,706,182	12,075,185	6,686,126	1981	40 yrs.
12,14,16 Great Valley Parkway	Malvern, PA	_	130,689	₹.	1,562,994	128,767	1,564,916	1,693,683	884,224	1982	40 yrs.
155 Great Valley Parkway	Malvern, PA	-	625,147	_	2,627,280	626,068	2,626,359	3,252,427	1,541,665	1981	40 yrs.
510 Lapp Road	Malvern, PA	•	356,950		926,587	357,751	925,786	1,283,537	572,178	1983	40 yrs.
60 Morehall Road 5 Country View Road	Malvern, PA Malvern, PA	-	865,424 . 785,168	9,285,000 4,678,632	4,971,296 1,178,927	884,974 786,235	14,236,746 5,856,492	15,121,720 6,642,727	6,358,326 1,953,040	1989 1985	40 yrs. .40 yrs.
7550 Meridian Circle	Maple Grove, MN	_	513,250	2,901,906	222,006	513,250	3,123,911	3,637,161	721,019	1989	40 yrs.
8 Stow Road	Marlton, NJ		172,600	1,704,436	188,555	172,945	1,892,646	2,065,591	651,714	1988	40 yrs.
10 Stow Road	Mariton, NJ		147,000	1,451,536	527,956	147,318	1,979,174	2,126,492	962,254	1988	40 yrs.
12 Stow Road	Marlton, NJ		103,300	1,021,036	342,868	103,618	1,363,587	1,467,205	588,823	1988 1988	40 yrs.
14 Stow Road 701A Route 73 South	Mariton, NJ Mariton, NJ		93,100 264,387 -	920,336 3,772,000	431,684 3,501,001	93,418 271,743	1,351,703 7,265,645	1,445,120 7,537,388	576,452 3,312,275	1987	40 yrs. 40 yrs.
701C Route 73 South	Marlton, NJ		84,949	1,328,000	422,106	96,161	1,738,894	1,835,055	672,972	1987	40 yrs.
400 Lippincott Drive	Mariton, NJ		69,402		3,671,296	317,799.	3,422,899	3,740,699	910,493	1999	40 yrs.
406 Lippincott Drive	Marlton, NJ		321,455	1,539,871	888,175	327,554	2,421,947	2,749,501	975,306	1990	40 yrs.
301 Lippincott Drive 303 Lippincott Drive	Marlton, NJ Marlton, NJ		1,069,837	4,780,163 4,780,163	1,469,444 2,194,896	1,069,838	6,249,607 6,975,059	7,319,444 8,044,896	2,078,211 2,276.639	1988 · 1988	40 yrs. 40 yrs.
901 Route 73	Mariton, NJ	<u>-</u> -	334,411	2,733,314		334,411	3,628,303	3,962,714	1,045,261	1988	40 yrs. 40 yrs.
404 Lippincott Drive	Marlton, NJ		131,896		1,653,262	131,896	1,653,262	1,785,158	657,060	1997	40 yrs.
402 Lippincott Drive	Marlton, NJ	Trusta	131,896	T.	1,736,907	<b>131,896</b> ~	1,736,907	1,868,803	682,815	1997	40 yrs.
9 Stow Road	Marlton, NJ		652,642	1,765,065	922,394	654,779	2,685,323	3,340,101	766,449	1989	40 yrs.
75 Brookfield Oaks Drive 65 Brookfield Oaks Drive	Mauldin, SC Mauldin, SC	<u>-</u>	419,731 557,174	·	2,444,403 2,728,911	430,909 506,318	2,433,225 2,779,768	2,864,134 3,286,086	68,857 67,739	2003 <sub>.</sub> 2004	40 yrs. 40 yrs.
8301 West Parkland Court	Milwaukee, WI-	_	358,442	3,233,707	532,301	358,442	3,766,008	4,124,449	971,466	1982	40 yrs.
7800 N. 113th Street	Milwaukee, WI	-	1,711,964	6,847,857	392,036	1,711,964	7,239,893	8,951,858	1,726,879	1991	40 yrs.
11950 W. Lake Park Drive	Milwaukee, WI		391,813	2,340,118		394,938	2,876,510	3,271,448	719,848	1986	40 утѕ.
11400 W. Lake Park Drive	Milwaukee, WI	_	439,595	2,357,904	234,658	443,101	2,589,056	3,032,157	521,325	1986	40 yrs.

			Initia	l Cost	Costs Capitalized	Gross Amou	nt Carried at End of Per	lod		Date of	B / - 1.1 -
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES											
11425 W. Lake Park Drive	Milwaukee, WI	17:1 Russ 1#1	382,256	2,350,619	957,723	385,305	3,305,293	3,690,598	982,930	1987	40 yrs.
11301 W. Lake Park Drive	Milwaukee, WI		614,477	2,626,456	101,328	619,465	2,722,797	3,342,261	542,487	1987	40 yrs.
11900 W. Lake Park Drive	Milwaukee, WI	<b></b>	347,853	2,396,887	1,057,251	350,628	3,451,364	3,801,992	910,149	1987	40 yrs.
11414 West Park Place	Milwaukee, WI	-	234,443		10,202,898	491,531	9,945,810	10,437,341	2,308,691	2001	40 yrs.
11520 West Calumet Road 12100 West Park Place	Milwaukee, WI Milwaukee, WI		341,698 534,470	1,527,548 3,239,389	78,494 565,184	341,698 532,370	1,606,042 3,806,673	1,947,740 4,339,043	281,217 779,371	1995 1984	40 yrs:
10855 West Park Place	Milwaukee, WI		122,894	3,239,389	3,045,358	424,710	2,743,541	3,168,251	447,822	2002	40 yrs. 40 yrs.
11100 West Liberty Drive	Milwaukee, WI	'	1,800,000	_	7.690,908	1,801,024	7,689,884	9,490,908	730,540	2002	40 yrs. 40 yrs.
11050 West Liberty Drive	Milwaukee, WI		1,800,000		3,813,517	914,760	2,898,757	3,813,517	25,802	2005	40 yrs.
4700 Nathan Lane North	Minneapolis, MN	, =	1,501,308	8,446,083	225,056	1,501,308	8,671,139	10,172,447	1,567,239	1996	40 yrs.
4600 Nathan Lane	Minneapolis, MN		1,063,558	-	6,683,083	1,038,197	6,708,444	7,746,641	1,363,486	2002	40 yrs.
12501 & 12701 Whitewater Drive	Minnegonka, MN	-	2,175,209	3,948,085	7,249,452	2,177,953	11,194,793	13,372,746	788,290	1986	40 yrs.
5600 & 5610 Rowland Road	Minnetonka, MN		828,650	7,399,409	1,595,422	829,263	8,994,217	9,823,481	2,892,234	1988	40 yrs.
5400-5500 Feltl Road	Minnetonka, MN		883,895	7,983,345	2,275,102	883,895	10,258,447	11,142,342	2,480,922	1985	40 yrs.
10300 Bren Road	Minnetonka, MN		344,614	3,110,477	894,944	344,614	4,005,421	4,350,034	857,897	1981	40 yrs.
3400 Lakeside Drive	Miramar, FL	_	2,022,153	11,345,881	1,214,422	2,022,153	12,560,302	14,582,456	3,135,197	1990	40 yrs.
3450 Lakeside Drive	Miramar, FL	. E	2,022,152	11,357,143	2,078,093	2,022,152	13,435,235	15,457,387	3,478,905	1990	40 yrs.
3350 SW 148th Avenue	Miramar, FL		2,960,511		19,294,616	2,980,689	19,274,437	22,255,127	4,341,655	2000	40 yrs.
300 Fellowship Road	Mt Laurel, NJ	.23.46 197-	7 <del></del>	L.£8	7,330,090	1,098,904	6,231,186	7,330,090	420,257	2004	40 yrs.
302 Fellowship Road	Mt Laurel, NJ		1,512,120		2,801,598	539,060	3,774,658	4,313,718	88,186	2001	40 yrs.
JOOT LEAGERNAIT ROAG	Mt Laurel, NJ		1,925,719	191,390	10,965,396	1,936,489	11,146,016	13,082,505	879,074	2003*	40 yrs.
350 Fellowship Road	Mt Laurel, NJ	`	2,960,159	1,449,611	3,535,489	2,966,686	4,978,573	7,945,259	9,251	2006	40 yrs.
4001 Leadenhall Road 3000 Atrium Way	Mt. Laurel, NJ Mt. Laurel, NJ		3,207,885 500,000	391,167 4,500,000	18,844,592 4,498,462	2,784,694 512,018	19,658,950 8,986,445	22,443,644 9,498,462	2,744,761 3,980,005	2002 1987	40 yrs.
11000, 15000 Commerce Parkway	Mt. Laurel, NJ		310,585	4,394,900	254.820	311,950	4,648,355	4,960,305	1,942,493	1985	40 yrs. 40 yrs.
12000, 14000 Commerce Parkway	Mt. Laurel, NJ		361,800	3,285,817	783.587	362,855	4,068,349	4,431,204	1,426,020	1985	40 yrs.
16000, 18000 Commerce Parkway	Mt. Laurel, NJ	1 4 4 4 5 1 1 1 2 4	289,700	2,512,683	573,915	290,545	3,085,753	3,376,298	1,126,581	1985	40 yrs.
1300 Route 73 North	Mt. Laurel, NJ	- 1	449,400	3,074,850	1,704,275	450,558	4,777,967	5,228,525	1,530,369	1988	40 yrs.
6000 Commerce Parkway	Mt. Laurel, NJ	1 -	234,151 /		925,491	234,151"	2,948,174	3,182,325	811,584	1985	40 yrs.
7000 Commerce Parkway	Mt. Laurel, NJ	_	260,014	2,236,684	427,949	260,014	2,664,633	2,924,647	746,489	1984	40 yrs.
8000 Commerce Parkway	Mt. Laurel, NJ	_	234,814	1,995,098	317,849	234,814	2,312,947	2,547,761	604,374	1983	40 yrs.
9000 Commerce Parkway	Mt. Laurel, NJ	_	286,587	2,474,820	595,749	286,587	3,070,569	3,357,156	1,010,672	1983	40 yrs.
1000 Briggs Road	Mt. Laurel, NJ	· · · · -	288,577	2,546,537	1,450,255	288,577	3,996,792	4,285,369	1,422,723	1986	40 yrs.
1025 Briggs Road	Mt. Laurel, NJ	773,515	430,990	3,714,828	1,320,195	430,990	5,035,023	5,466,013	1,496,665	1987	40 yrs.
1020 Briggs Road	Mt. Laurel, NJ	. : -	494,334		3,162,455	569,184	3,087,606	3,656,789	825,078	1999	40 yrs.
2000 Crawford Place	Mt. Laurel, NJ		310,831	2,797,744	2,814,041	310,831	5,611,785	5,922,616	2,067,243	1986	40 yrs.
5000 Dearborn Court	Mt. Laurel, NJ	: -	1,057,763	4,191,827	531,794	1,057,763	4,723,621	5,781,384	1,129,274	1988	40 yrs.
1001 Briggs Road 1015 Briggs Road	Mt. Laurel, NJ Mt. Laurel, NJ		701,705 356,987	3,505,652	2,115,996 3,666,093	701,705 470,659	5,621,649 3,552,421	6,323,354 4,023,080	1,805,100 792,151	1986 2000	40 yrs.
17000 Commerce Parkway	Mt. Laurel, NJ	·	144,515	_	3,010,679	144,515	3,010,679	3,155,194	691,482	2000	40 yrs. 40 yrs.
9401-9443 Science Center Drive	New Hope, MN	Salati Salati	431,295	3,888,684	480,123	510,064	4,290,038	4,800,102		1989	40 yrs.
6 Terry Drive	Newtown, PA		622,029	2,228,851	828,769	622,205	3,057,443	3,679,648	824,454	1981	40 yrs.
550-590 Hale Avenue	Oakdale, MN		765,535	3,488,754	510,819	766,390	3,998,718	4,765,107	847,827	1996	40 yrs.
1879 Lamont Avenue	Odenton, MD		1.976,000	8,099,579	3,032,136	2,011,030	11,096,685	13.107.715	524,714	2004	40 yrs.
350 Winmeyer Avenue	Odenton, MD	- 1	1,778,400	7,289,165	1,924,628	1,809,927	9,182,266	10,992,193	4388,054	2004	40 yrs.
9600 Satellite Boulevard	Orlando, FL	·	252,850	1,297,923	62,116	252,850	1,360,039	1,612,889	336,709	1989	40 yrs.
9700 Satellite Boulevard	Orlando, FL	·	405,362	1,146,546	350,999	405,362	1,497,545	1,902,907	387,847	1989	40 yrs.
1902 Cypress Lake Drive	Orlando, FL	_	523,512	3,191,790	880,341	538,512	4,057,131	4,595,643	1,116,154	1989	40 yrs.
9550 Satellite Boulevard	Orlando, FL	· · · · · · - ·	574,831	10000	2,330,526	587,319	2,318,038	2,905,357	594,480	1999	40 yrs.
10511 & 10611 Satellite Boulevard			517,554	2,568,186	405,635	522,991	2,968,384	3,491,375	848,378	1985	40 yrs.
1400-1440 Central Florida Parkway		i –	518,043	2,561,938	337,852	518,043	2,899,790	3,417,833	713,673	1962	40 yrs.
2216 Directors Row	Orlando, FL		453,918	2,572,202	27,479	453,918	2,599,681	3,053,599	555,992	1998	40 yrs.
3701-3727 Vineland Road 2400 South Lake Orange Drive	Orlando, FL!; Orlando, FL	: : <u>-</u>	767,929 385,964	2,096,504	430,124 2,461,057	767,929 642,427	2,526,628 2,204,594	3,294,557 2,847,021	549,972 355,814	1985 2001	40 yrs.
6501 Lee Vista Boulevard	Orlando, FL	. : -	903,701		5,560,142	925,671	5,538,172	6,463,843	746,789	2001	40 yrs. 40 yrs.
2416 Lake Orange Drive	Orlando, FL	· · ·	535,964	· <del>-</del>	3,166,980	704,800	2,998,143	3,702,944	741,196	2001	40 yrs. 40 yrs.
10771 Palm Bay Drive	Orlando, FL		664,605	- <u>-                                  </u>	2,362,814	685,383	2,342,035	3,702,944	299,543	2002	40 yrs.
10003 Satellite Boulevard	Orlando, FL	· · -	680,312	2,120,754	1,498,831	680,312	3,619,585	4,299,897	366,260	2003	40 yrs.
1090 Gills Drive	Orlando, FL	i _	878,320	2,558,833	1,872,262	878,320	4,431,096	5,309,415	310,566	2003	40 yrs.
2202 Taft-Vineland Road	Orlando, FL	_		-	6,630,654	1,283,713	5,346,941	6,630,654	565,267	2004	40 yrs.
South Center Land-Phase II	Orlando, FL	., ii	. 838,853		4,047,910	767,953	4,118,811	4,886,763	36,846	2006	40 yrs.
7315 Kingspointe Parkway	Orlando, FL		1,931,697	6,388,203	2,479,134	1,932,004	8,867,030	10,799,034	589,186	2004	40 yrs.
2351 Investors Row	Orlando, FL	일 기계	2,261,924	7,496,249	ii 124,169	2,263,211	7,619,131	9,882,342	376,159	2004	40 yrs.

			Initia	l Cost	Costs Capitalized		Gross Amo	unt Carried at End of Per	lod		Date of	
Project Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition		and and rovements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/96	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES	O-1		467.706		2 462 202		926 472	2 102 020	2 020 (02	104 125	2005	40
2256 Taft-Vineland Road 1950 Summit Park Drive	Orlando, FL Orlando, FL	_	467,296 2,573,700	17,478,646	2,462,307 531,233	.*	825,673 2,583,667	2,103,930 17,999,912	2,929,603 20,583,579	104,125 791,297	2005 2005	40 yrs. 40 yrs.
1958 Summit Park Drive	Orlando, FL	_	2,573,961	11,206,937	8,761,919		2,583,216	19,959,601	22,542,817	892,725	2005	40 yrs.
6200 Lee Vista Boulevard	Orlando, FL	·	1,423,584	6,399,510	84,494		1,435,301	6,472,287	7,907,588	67,921	2006	40 yrs.
7022 TPC Drive	Orlando, FL		1,443,510	6,845,559	357,904		1,457,286	7,189,688	8,646,973	<del></del>	2006	40 yrs.
7100 TPC Drive 7101 TPC Drive	Orlando, FL	-	1,431,489	7,948,341	203,122	` .	1,445,807	8,137,144 5,510,023	9,582,951		2006 2006	40 yrs.
N26 W23445 Paul Road	Orlando, FL Pewaukee, WI		1,553,537 561,904	5,301,499 1,928,064	225,850 113,241		1,570,863 561,904	2,041,305	7,080,886 2,603,209	357,110	1985	40 yrs. 40 yrs.
8801 Tinicum Boulevard	Philadelphia, PA		2,474,031	-	43,598,952	•	125,087	45,947,896	46,072,983	12,300,012	1997	40 yrs.
3 Franklin Plaza		X	2,483,144	7.	32,150,134		2,514,519	32,118,759	34,633,278	6,127,052	1999	40 yrs.
4751 League Island Boulevard 1 Crescent Drive	Philadelphia, PA Philadelphia, PA	germany . = -	992,965 567,280	331,924	6,753,197	"garejan, m	1,022,081 347,892	7,056,006 12,971,730	8,078,087 13,319,622	573,955 57,493	2003 2004	40 yrs.
9801 80th Avenue	Pleasant Prairie, WI	947 + 1475 	1,692,077	7,934,794	62,495		1,689,726	7,999,640	9,689,366	1,617,933	1994	40 yrs. 40 yrs.
2250 Hickory Road	Plymouth Meeting, PA	136 F	1,015,851		2,338,832	age in	1,032,507	11,497,732	12,530,239	2,838,418	1985	40 yrs.
2905 Northwest Boulevard	Plymouth, MN		516,920	4,646,342	1,702,547		516,920	6,348,890	6,865,809	1,853,696	1983	40 yrs.
2800 Campus Drive 2955 Xenium Lane	Plymouth, MN Plymouth, MN		395,366 151,238	3,554;512 1,370,140	1,008,452		395,366 151,238	4,562,964 1,771,215	4,958,330 1,922,453	1,357,056 605,963	1985 1985	40 yrs.
2920 Northwest Boulevard	Plymouth, MN	_	392,026	3,433,678	655,417		384,235	4,096,886	4,481,121	1,151,892	1997	40 yrs. 40 yrs.
14630-14650 28th Avenue North	Plymouth, MN	-	198,205	1,793,422	644,591		198,205	2,438,013	2,636,218	669,648	1978	40 yrs.
2800 Northwest Boulevard	Plymouth, MN	-	1,934,438	10,952,503	484,440		1,934,438	11,436,943	13,371,380	2,695,022	1995	40 yrs.
9600 54th Avenue 1500 SW 5th Court	Plymouth, MN Pompano Beach, FL	_	332,317 972,232	3,077,820 3,892,085	1,075,534 245,724		332,317 972,232	4,153,354 4,137,810	4,485,671 5,110,041	931,060 987,730	1998 1957	40 yrs.
1651 SW 5th Court	Pompano Beach, FL	_	203,247	811,093	126,108		203,247	937,202	1,140,449	283,351	1990	40 yrs. 40 yrs.
1601 SW 5th Court	Pompano Beach, FL	_	203,247	811,093	403,403		203,247	1,214,496	1,417,743	301,897	1990	40 yrs.
1501 SW 5th Court	Pompano Beach, FL	-	203,247	811,093	40,396		203,247	851,489	1,054,737	204,419	1990	40 yrs.
1400 SW 6th Court 1405 SW 6th Court	Pompano Beach, FL Pompano Beach, FL	_	1,157,049 392,138	4,620,956 1,565,787	308,055 126,972		1,157,049 392,138	4,929,010 1,692,759	6,086,060 2,084,897	. `1,155,658 403,837	1986 1985	40 yrs. 40 yrs.
595 SW 13th Terrace	Pompano Beach, FL		359,933		95,541	\$31.30	359,933	1,532,657	1,892,590	356,011	1984	40 yrs.
601 SW 13th Terrace	Pompano Beach, FL	'	164,413	655,933	151,781		164,413	807,714	972,127	184,683	1984	40 yrs.
605 SW 16th Terrace	Pompano Beach, FL	- 45c. ( =	310,778; 2,007,717	1,238,324	307,582 555,417	wt.	310,178 0	1;546;507 15,481,606	1,856,684	319,660 4,505,494	1965 1985	40 yrs.
4300 Carolina Avenue 301 Hill Carter Parkway	Richmond, VA Richmond, VA	- 18E	.659,456	14,927,608	625	ggrafia	2,009,136 659,456		17,490,742 5,496,091	1,430,892	1989	40 yrs. 40 yrs.
4001 Carolina Avenue	Richmond VA	% (## . -	29,443	215,914	305,691	.*************************************	29,443	521,605	551,048	122,714	1935	40 yrs.
5600-5626 Eastport Boulevard	Richmond, VA	, <u>.</u>	489,941	3,592,900		24. *	489,941	3,982,783	4,472,724	1,217,321	1989	40 yrs.
5650-5674 Eastport Boulevard 5700 Eastport Boulevard	Richmond, VA Richmond, VA		644,384 408,729	4,025,480 2,697,348	235,079 803,670		644,384 408,729	4,260,559 3,501,018	4,904,943 3,909,747	1,393,734 984,143	1990 1990	40 yrs.
4101-4127 Carolina Avenue	Richmond, VA	- · · · ·	310,854	2,279,597	567,636	1.14	310,854	2,847,233	3,158,087	768,190	1973	40 yrs. 40 yrs.
4201-4261 Carolina Avenue	Richmond, VA	_	693,203	5,083,493	1,305,385	-	693,203	6,388,878	7,082,081	1,911,966	1975	40 yrs.
4263-4299 Carolina Avenue	Richmond, VA		256,203	2,549,649	1,647,276		256,203	4,196,925	4,453,128	1,163,759	1976	40 yrs.
4301-4335 Carolina Avenue 4337-4379 Carolina Avenue	Richmond, VA Richmond, VA		223,696 325,303	1,640,435 2,385,557	, 1,920,216 880,278		223,696 325,303	3,560,651 3,265,835	3,784,347. 3,591,138	546,076 1,282,851	. 1978 1979	40 yrs. 40 yrs.
4501-4549 Carolina Avenue	Richmond, VA	_	486,166	3,565,211	471,129		486,166	4,036,340	4,522,506	1,177,796	1981	40 yrs.
4551-4593 Carolina Avenue	Richmond, VA	. –	474,360	3,478,646	272,695		474,360	3,751,341	4,225,701	1,087,264	1982	40 yrs.
4601-4643 Carolina Avenue	Richmond, VA	-	652,455	4,784,675	507,154		652,455	5,291,829	5,944,284	1,738,991	1985	40 yrs.
4645-4683 Carolina Avenue 4447-4491 Carolina Avenue	Richmond, VA Richmond, VA	- · ·	404,616 454,056	2,967,187 2,729,742	1,079,890 293,897		404,616 454,056	4,047,077 3,023,639	4,451,693 3,477,695	1,760,935 958,366	1985 1987	40 yrs. 40 yrs.
4401-4445 Carolina Avenue	Richmond, VA	_	615,038	4,510,272	397,983		615,038	4,908,255	5,523,293	1,459,049	1988	40 yrs.
2300 East Parham Road	Richmond, VA	7	221,947	1,011,088	2,443.		221,947	1,013,531	1,235,478	325,610	1988	40 yrs.
5601-5659 Eastport Boulevard 5900 Eastport Boulevard	Richmond, VA	•	705,660	4 5/	4,718,370 4,818,232		720,100	4,703,930 4,806,995	5,424,030 5,494,893	1,653,017	1996 1997	40 yrs.
4717-4729 Eubank Road	Richmond, VA Richmond, VA	Ţ 1	676,661 449,447	3,294,697	546,131	. ,	687,898 452,263	3,838,011	4,290,274	1,127,629	1978	40 yrs. 40 yrs.
4263F-N. Carolina Avenue	Richmond, VA		91,476	1 -	1,643,294	<u> </u>	91,599	1,643,171	1,734,770	446,236	1975	40 yrs.
510 Eastpark Court	Richmond, VA		261,961	2,110,874	316,688	332	262,210	2,427,312	2,689,523	800,917	1989	40 yrs.
520 Eastpark Court 5701-5799 Eastport Boulevard	Richmond, VA Richmond, VA	51多世"	486,118 694,644	4,083,582	336,701 5,651,198	.P5	486,598 700,503	4,419,803 5,645,340	4,906,401 <sup>8</sup> 6,345,842	1,203,497 1,630,865	1989 1998	40 yrs. 40 yrs.
530 Eastpark Court	Richmond, VA	* * * / _	266,883	· :		«	334,772	3,001,012	3,335,784	1,030,663	1999	40 yrs.
3829-3855 Gaskins Road	Richmond, VA	<del>-</del> .	364,165	3,264,114	39,764		364,165	3,303,879	3,668,044	728,169	1988	40 yrs.
10800 Nuckols Boulevard	Richmond, VA		1,432,462	101.024	14,420,839		1,794,162	14,059,139	15,853,301	2,428,731	2000	40 yrs.
100 Westgate Parkway 200 Westgate Parkway	Richmond, VA Richmond, VA	_	1,140,648 1,623,612	101,824	8,408,649 5,900,380		1,456,084 1,072,797	8,195,037 6,451,195	9,651,121 7,523,992	1,230,590 923,936	2001 2002	40 yrs. 40 yrs.
1001 Boulders Parkway	Richmond, VA	_	2,073,739	5,634,796	892,592		2,079,643	6,521,484	8,601,127	257,425	2005	40 yrs.
7400 Beaufont Springs Drive	Richmond, VA	-	808,581	7,273,850	837,566		810,743	8,109,253	8,919,996	304,103	2005	40 yrs.
1100 Boulders Parkway 2020 US Highway 301 South	Richmond, VA Riverview, FL	_	1,276,936	12,052,192	709,835 1,144		1,280,662 1,233,800	12,758,301 13,609,469	14,038,963 14,843,268	181,763 158,254	2005 2006	40 yrs. 40 yrs.
6532 Judge Adams Road	Rock Creek, NC	_	354,903	13,608,485	3,740,561		399,988	3,695,477	4,095,464	996,239	1997	40 yrs. 40 yrs.
6530 Judge Adams Road	Rock Creek, NC	-	305,821	· -	4,458,256		335,061	4,429,015	4,764,076	903,045	1999	40 yrs.
6509 Franz Warner Parkway	Rock Creek, NC	-	360,494	=;	2,829,679		372,494	2,817,679	3,190,173	506,475	2001	40 yrs.
38100 Ecorse Road 38000 Ecourse Road	Romulus, MI Romulus, MI	_	955,063 807,660	_, . _	8,900,259 12,732,352	1.	853,063 1,053,337	9,002,259 12,486,675	9,855,322 13,540,012	1,360,828 2,529,890	2000 , 2001	. 40 yrs. 40 yrs.
6505 Cogswell Road	Romulus, MI	_	594,523		17,282,074	viji.	4,195,047	13,681,551	17,876,598	2,329,890	2005	40 yrs. 40 yrs.
38100 Ecorse Road Expansion	Romulus, MI		· -		1,538,262			1,538,262	1,538,262	28,999	2005	40 yrs.
8501 East Raintree Drive	Scottsdale, AZ	<sup>28</sup> ); —	4,076,412	66 269 917	27,576,974		4,115,137	27,538,249	31,653,386	459,720	2005	40 yrs.
26911-26957 Northwestern Highway 6950 Harbor View Blvd	Southfield, MI Suffolk, VA		7,799,515	66,268,817	8,771,128 6,197,285		7,799,515 794,848	75,039,945 6,332,282	82,839,460 7,127,129	18,643,965 96,284	1985 2004	40 yrs. 40 yrs.
13650 NW 8th Street	Sunrise, FL		558,223	2,171,930	99 234		558,251	2,271,136	2,829,387	624,170	1991	40 yrs.
13630 NW 8th Street	Sunrise, FL		659,797	2,596,275	772,671	7	659,825	3,368,917	4,028,742	883,443	1991	40 yrs.
1301 International Parkway	Sunrise, FL	-	5,100,162	24,219,956	1,264,535		5,100,791	25,483,861	30,584,653	-	2006	40 yrs.

Part				Initial	Cost	Costs Capitalized Subsequent		tount Carried at End		Accumulated	Date of Construction Dep	
Separation   Tamps   F.		Location	Encumbrances	Land	Building	to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Depreciation 12/31/06	or Acquisition (	life years)
5990-5604 Cremban Steect		TampallEl		163,000	1 412 000	627 115	262 416	2 140 700	2 412 116	605,616	1061 4	0
1002.104.3110 Cherry Palm Drive   Tamps,FL   790.676   4.446,481   101.377   707.978   5.239.788   1.242.281   1986   40 yes   400.4888   101.381   101.38			- · ·									
\$401-848   Englann Road			_									
11   Keisy Lune	8401-8408 Benjamin Road	Tampa, FL		789,651	4,454,648	1,974,397	769,789	6,448,907	7,218,696	2,203,217	1986 4	
290, 8010-20 Woodland Center Boulevard   Tamps, IF												
1920 Mondland Center Buoleward   Tampus FL   1,322,648   2,454,444   4272   2399,648   2,456,949   2,456,945   2			; - <del>-</del>									
Bis-6-8  SW Woodland Cereir Boulevard   Tamps, II.   599,088   2,868,33   441,572   599,088   3,310,060   3,709,494   967,907   1988   40 yrs.												
811-24 Woodland Center Boulevard  Finns, FL  1008-83 2, 32, 32, 30, 30  1008-81 2, 30, 30, 30, 30, 30, 30, 30, 30, 30, 30		Tampa, FL	13.4									
13   Keisy Lane   Tamps, FL   511,463   - 4455,291   559,277   4966,754   6,697,461   985   40 yrs.   7272   Woodland Center Boulevard   Tamps, FL   337,364   - 2,285,235   2,285,235   2,285,235   2,285,235   2,285,177   3,069,125   1,019,235   1999   40 yrs.   7272   Woodland Center Boulevard   Tamps, FL   - 243,469   1,063,882   985,376   285,479   3,069,125   1,019,235   1999   40 yrs.   7272   Woodland Center Boulevard   Tamps, FL   - 533,335   - 3,351,528   7,375   1,019,235			•									
Procedured Cerner Boulevard   Tampa, FL   255,893   - 2,285,235   238,894   2,285,234   2,311,128   011,383   1999   40 yrs.					2,322,720							
287.59 Woodland Center Boulevard   Tampa, FL   357,364   - 2,711,761   506,949   2,562,177   3,069,125   1,019,255   1999   40 yrs.			-		_							
2829.98 Woodland Cemer Boulevant			-									U yrs.
Segregation   Program			·		_							
2525 Egile Trail Drive			_		1,063,882							
Solit Woodland Cerporate Boulevard   Tampas   FL   943,169   1,295,778   1,315,387   2,279,722   2000   40 yrs.	5250 Eagle Trail Drive	Tampa, FL	_	952,860		3,581,057	952,860	3,581,057	4,533,916	739,406	1998 4	Ю утѕ.
46.00 Woodland Corporate Boulevard   Tampa_FL   - 943,169   - 12,592,708   .560,099   11,975,778   13,515,877   2,279,782   2000   40 yrs.			_									
761-725 South US Hwy 301		Tampa FL			-							
4502 Woodland Corporate Boulevard   Tampa,FL					·							
Solit   Soli				417,005	i							
1962   Bald Cypress Place   Tampa FL   -9				209,841	1 mm 1 = 1						2000 4	
901-931 US Highway 301 South Tampa, FL				498,598								
4503 Woodland Corporate Boulevard   Tampa, FL			riin aan da ka	36% <u>-11, 21</u> 7, -	<del>.</del>							
4505 Woodland Corporate Boulevard		Iampa,[FL STampa El 1973]	بالتعاق والمراجع المتعادية	500,391	14 July 20 7							
4511 Woodland Corporaire Boulevard	4\$05 Woodland Comporate Boulevard	Tamna FI	44.74.5		· : : - : - : - : - : - : -							0 yrs.
7621 Bald Cypress Place (Bldg N) 7620 Bald Cypress Place (Bldg N) 7630 Bald Cypres Place (Bldg N) 7630 Bald Cypress Place (Bldg N) 7		Tampa, FL	75,40	583 <u>-</u> 273	Na i 🗀							
Solit Shighway 301 South   Tampa, FL   - 898,884   - 3,499,853   900,508   3,498,729   4,398,737   261,909   2004   40 yrs.    900,2-903 Brittany Was   Tampa, FL   - 49,2320   - 3,964,055   899,284   3,570,92   4,456,375   343,277   204   40 yrs.    890,2-93 Brittany Was   Tampa, FL   - 337,194   - 3,620,099   933,02   3,019,744   3,953,106   90,303   2005   40 yrs.    3,009,47   3,000,474   3,000,470   4,785,389   14,913   2005   40 yrs.    3,009,47   4,785,389   14,913   2005   40 yrs.    3,009,476   3,000,470   4,785,389   4,918,270   4,785,370		Tampa, FL	-					1,035,115				0 yrs.
9900-34 Brittany Way  Fampa, FL  - 492,220  - 3,064,055  899,284  3,557,092  4,456,375  343,327  2004  40 yrs.  8900-34 Brittany Was  Tampa, FL  - 3,171,906  19,126,156  (3,975)  3,167,787  19,166,130  18,735,573  21,901,703  160,241  2006  40 yrs.  8735 Henderson Road  Tampa, FL  - 3,171,906  19,126,156  (3,975)  3,167,787  19,126,188  22,294,105  160,241  2006  40 yrs.  8735 Henderson Road  Tampa, FL  - 3,170,907  8715 Henderson Road  Tampa, FL  - 3,170,907  8715 Henderson Road  Tampa, FL  - 3,484,258  18,325,427  (4,177)  3,343,910  18,325,599  21,655  28,019,421  299,401  2006  40 yrs.  8715 Henderson Road  Tampa, FL  - 3,484,258  18,325,427  (4,177)  3,344,910  18,235,599  21,655  28,019,421  299,401  2006  40 yrs.  8745 Henderson Road  Tampa, FL  - 2,053,105  11,158,441  11,901  2,050,439  11,713,008  13,222,447  95,859  2006  40 yrs.  8745 Henderson Road  Tampa, FL  - 3,484,258  18,325,427  (4,177)  3,344,910  18,235,599  11,695,099  133,357  2006  40 yrs.  8751-860 Woodnand Center Bivd.  Tampa, FL  - 3,484,043  22,4204  95,559  54,905  11,173,008  11					42,131							
200-34 Brittany Was   Tampa, FL   -			.=		-							
200-34 Kelsey Lane   Tampa_FL   - 330,097   - 3,623,009   933,362   3,019,744   3,953,106   90,303   2005   40 yrs.   8725 Henderson Road   Tampa_FL   - 3,171,904   18,749,873   (18,416)   3,166,130   18,735,573   21,901,703   160,241   2006   40 yrs.   8705 Henderson Road   Tampa_FL   - 3,170,247   18,749,873   (18,416)   3,166,130   18,735,573   21,901,703   160,241   2006   40 yrs.   8705 Henderson Road   Tampa_FL   - 3,348,258   38,254,27   (4,177)   3,343,910   18,225,999   21,669,509   133,957   2006   40 yrs.   8745 Henderson Road   Tampa_FL   - 3,348,258   38,254,27   (4,177)   3,343,910   18,225,999   21,669,509   133,957   2006   40 yrs.   8745 Henderson Road   Tampa_FL   - 549,043   2,242,204   95,559   548,905   2,337,901   2,886,806   17,050   2006   40 yrs.   8745 Henderson Road   Tampa_FL   - 549,043   2,242,204   95,559   548,905   2,337,901   2,886,806   17,050   2006   40 yrs.   8745 Henderson Road   Tampa_FL   - 549,043   2,242,204   95,559   548,905   2,337,901   2,886,806   17,050   2006   40 yrs.   8743 Helland Road   Troy, MI   - 124,296   1,122,802   54,070   124,300   1,176,868   13,01,168   275,534   1983   40 yrs.   8749 South Lynnhaven Road   Virginis Beach, VA   - 173,527   790,515   2,462   173,527   792,977   965,504   234,111   1899   40 yrs.   8749 South Lynnhaven Road   Virginis Beach, VA   - 116,693   6,770,480   1,126,939   1,116,693   7,896,870   9,013,562   2,005,634   1988   40 yrs.   8749 South Lynnhaven Road   Virginis Beach, VA   - 891,753   3,607,890   553,685   891,753   4161,575   5,053,327   1,028,787   1989   40 yrs.   8749 South Drive   Virginis Beach, VA   - 891,753   3,607,890   553,685   891,753   4161,575   5,053,327   1,028,787   1989   40 yrs.   8750 Cleveland Street   Virginis Beach, VA   - 700,112   9,592,721   1,917,901   700,564   11,510,169   2,210,734   3,008,461   1999   40 yrs.   8750 Cleveland Street   Virginis Beach, VA   - 700,112   9,592,721   1,917,901   700,564   11,510,169   2,210,734   3,008,461   1999   40 yrs.   8750 Cleveland Street   Vi			·-		_							
8725 Henderson Road Tampa, FL - 3,170,247 3,17			_		_							
Sto Schenderson Road   Tampa, FL	8725 Henderson Road	Tampa, FL	-	3,171,906	19,126,156	(3,957)	3,167,787	19,126,318	22,294,105	162,502	2006 4	0 yrs.
8715 Henderson Road Tampa.   FL			-									
S745   Henderson Road   Tampa, FL   - 2,033,105   11,158,441   11,901   2,050,439   11,173,008   13,223,447   95,859   2006   40 yrs.   1334 Maplelawn Road   Troy, M1   - 124,296   1,122,802   54,070   124,300   1,176,868   1,301,168   275,334   1983   40 yrs.   3432 Holland Road   Virginis Beach, VA   - 173,527   799,515   2,462   173,527   799,977   966,504   234,111   1989   40 yrs.   234,000   234,111   1989   40 yrs.   200 Golden Oak Court   Virginis Beach, VA   - 953,590   6,142,742   1,100,609   953,590   7,243,352   8,196,941   8,322,981   1987   40 yrs.   200 Golden Oak Court   Virginis Beach, VA   - 965,177   6,728,717   1,129,993   965,177   7,858,710   8,823,888   2,052,497   1989   40 yrs.			-									
R81-7861 Woodland Center Blvd												
134 Maplelawn Road			· <u></u>									
280 South Lynnhaven Road  Virginia Beach, VA  - 953,590  6,142,742  1,100,600  953,590  7,243,352  8,196,941  1,822,981  1987  40 yrs.  200 Golden Oak Court  Virginia Beach, VA  - 1,116,693  6,770,480  1,116,993  1,116,693  7,896,870  905,177  7,858,710  8,823,888  2,052,497  1989  40 yrs.  484 Viking Drive  Virginia Beach, VA  - 891,753  3,607,890  553,685  891,753  4,161,575  5,053,327  1,028,787  1987  40 yrs.  41 yrginia Beach, VA  - 891,753  3,607,890  553,685  891,753  4,161,575  5,053,327  1,028,787  1987  40 yrs.  40 yrs			_							275,534	1983 4	
200 Golden Oak Court												
208 Golden Oak Court			, –									
484 Viking Drive Virginia Beach, VA			· -,									
629 Phoenix Drive Virginis Beach, VA - 371,694 2,108,097 243,169 371,694 2,351,266 2,722,960 559,043 1996 40 yrs. 5700 Cleveland Street Virginis Beach, VA 1,587,598 473,689 2,663,045 603,352 474,746 3,263,341 3,740,086 285,752 2003 40 yrs. 11020 West Plank Court Wauwaiosa, WI - 464,246 3,230,511 (519,943) 464,246 2,710,568 3,174,814 533,083 1985 40 yrs. 825 Duportail Road Wayne, IPA - 5,536,619 16,179,213 1,061,808 5,539,281 17,238,360 22,777,641 2,848,284 1979 40 yrs. 1200 Liberty Ridge Wayne, IPA - 8,287,555 - 31,280,987 11,636,499 27,932,043 39,568,542 4,177,639 2002 40 yrs. 1200 Liberty Ridge Drive Wayne, IPA - 6,215,667 - 8,829,577 5,223,660 9,821,584 15,045,244 2,393,281 2001 40 yrs. 11300-90 West Theodore Trecker Way West Allis, WI • 500,565 1,591,678 630,627 505,972 2,216,897 2,722,870 48,651 2005 40 yrs. 11420 West Theodore Trecker Way West Allis, WI • 660,068 4,640,578 44,656 663,766 4,681,537 5,345,302 181,960 2005 40 yrs. 11420 West Theodore Trecker Way West Chester, PA - 845,846 6,809,025 453,832 845,846 7,262,857 8108,703 1,742,042 1988 40 yrs. 905 Airport Road West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 1051 2 Grape Parkway West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988	49.4 Millian Daire		: ·									
1457 Miller Store Road   Virginia Beach, VA   1,587,598   473,689   2,663,045   603,352   474,746   3,265,341   3,740,086   285,752   2003   40 yrs.			·									
11020 West Plank Court												
825 Duportail Road Wayne, PA - 5,536,619 16,179,213 1,061,808 5,539,281 17,238,360 22,777,641 2,848,284 1979 40 yrs. 1500 Liberty Ridge Wayne, IPA - 8,287,555 - 31,280,987 11,636,499 27,932,043 39,568,542 4,177,639 2002 40 yrs. 11300-90 West Theodore Trecker Way West Allis, WI 500,565 1,591,678 630,627 505,972 2,722,870 48,651 2005 40 yrs. 11548 West Theodore Trecker Way West Allis, WI 660,068 4,640,578 44,656 663,766 4,681,537 5,345,302 181,960 2005 40 yrs. 11420 West Theodore Trecker Way West Allis, WI - 348,146 2,057,483 27,202 350,008 2,082,824 2,432,831 80,727 2005 40 yrs. 11420 West Theodore Trecker Way West Chester, PA - 845,846 6,809,025 453,832 845,846 7,262,857 8,108,703 1,742,042 1988 40 yrs. 11420 West Theodore Trecker Way West Chester, PA - 664,899 5,352,410 842,826 664,899 6,195,236 6,860,135 1,575,945 1988 40 yrs. 11420 West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. 11420 West Chester, PA - 1,715,000 5,185			1,587,598									
1500 Liberty Ridge   Wayne,  PA   - 8,287,555   - 31,280,987   11,636,499   27,932,043   39,568,542   4,177,639   2002   40 yrs.												
1200 Liberry Ridge Drive   Wayne,   PA   - 6,215,667   - 8,829,577   5,223,660   9,821,884   15,045,244   2,393,281   2001   40 yrs.			_		10,17,5,213							
11300-90 West Theodore Trecker Way   West Allis, WI   * 500,565   1,591,678   630,627   505,972   2,216,897   2,722,870   48,651   2005   40 yrs.     11420 West Theodore Trecker Way   West Allis, WI   * 660,068   4,640,578   44,656   663,766   4,681,537   5,345,302   181,960   2005   40 yrs.     1420 West Theodore Trecker Way   West Allis, WI   - 348,146   2,057,483   27,202   350,008   2,082,824   2,432,831   80,727   2005   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 845,846   6,809,025   453,832   845,846   7,262,857   8,108,703   1,742,042   1988   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 664,899   5,352,410   842,826   664,899   6,195,236   6,860,135   1,575,945   1988   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 1,715,000   5,185,000   1,429,527   1,735,012   6,594,515   8,329,527   2,301,424   1988   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 1,715,000   5,185,000   1,429,527   1,735,012   6,594,515   8,329,527   2,301,424   1988   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 1,715,000   5,185,000   1,429,527   1,735,012   6,594,515   8,329,527   2,301,424   1988   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 559,590   5,113,902   5,761,846   1,408,957   1,0026,381   11,435,338   346,459   2006   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 5,687,985   887,234   4,800,752   5,687,985   284,122   2003   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 5,687,985   887,234   4,800,752   5,687,985   284,122   2003   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 5,687,985   887,234   4,800,752   5,687,985   284,122   2003   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 5,687,985   887,234   4,800,752   5,687,985   284,122   2003   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 5,687,985   387,234   4,800,752   5,687,985   284,122   2003   40 yrs.     400-500 Brandywine Parkway   West Chester, PA   - 5,687,985   887,234   4		Wayne, PA	-		_							
11420 West Theodore Trecker Way   West Allis, WI	11300-90 West Theodore Trecker Way	West Allis, WI	*	500,565		630,627	505,972	2,216,897	2,722,870	48,651	2005 4	0 утs.
400-500 Brandywine Parkway         West Chester, PA         -         845,846         6,809,025         453,832         845,846         7,262,857         8,108,703         1,742,042         1988         40 yrs.           600 Brandywine Parkway         West Chester, PA         -         664,899         5,352,410         842,826         664,899         6,195,236         6,860,135         1,575,945         1988         40 yrs.           905 Airport Road         West Chester, PA         -         1,715,000         5,185,000         1,429,527         1,735,012         6,594,515         8,329,527         2,301,424         1988         40 yrs.           Liberty Square Retail Blocks         West Malling, UK         -         559,590         5,761,846         1,408,957         10,026,381         11,435,338         346,459         2006         40 yrs.           3612 La Grange Parkway         Williamsburg, VA         -         -         5,687,985         887,234         4,800,752         5,687,985         284,122         2003         40 yrs.			. •									
600 Brandywine Parkway West Chester, PA - 664,899 5,352,410 842,826 664,899 6,195,236 6,860,135 1,575,945 1988 40 yrs. 905 Airport Road West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. Liberty Square Retail Blocks West Malling, UK - 559,590 5,113,902 5,761,846 1,408,957 10,026,381 11,435,338 346,459 2006 40 yrs. 3612 La Grange Parkway Williamisburg, VA 5,687,985 887,234 4,800,752 5,687,985 284,122 2003 40 yrs.			-									
905 Airport Road West Chester, PA - 1,715,000 5,185,000 1,429,527 1,735,012 6,594,515 8,329,527 2,301,424 1988 40 yrs. Liberty Square Retail Blocks West Malling, UK - 559,590 5,113,902 5,761,846 1,408,957 10,026,381 11,435,338 346,459 2006 40 yrs. 3612 La Grange Parkway Williamsburg, VA 5,687,985 887,234 4,800,752 5,687,985 284,122 2003 40 yrs.			-									
Liberty Square Retail Blocks West Malling, UK – 559,590 5,113,902 5,761,846 1,408,957 10,026,381 11,435,338 346,459 2006 40 yrs.  3612 La Grange Parkway Williamisburg, VA – – 5,687,985 887,234 4,800,752 5,687,985 284,122 2003 40 yrs.			_									
3612 La Grange Parkway Williamisburg, VA 5,687,985 887.234 4,800,752 5,687,985 284,122 2003 40 yrs. 7805 Hudson Road Woodbury, MN - 1279,834 - 10,337,053 1,385,739 10,231,149 11,616,887 1,940,761 2002 40 yrs.		West Malling, UK	· · · -			5,761,846		10,026,381		346,459	2006 4	
/805 Hudson Koad												
	7805 Hudson Road	woodbury, MN	." i . <del>-</del>	T1,279,834	": <b>-</b>	10,337,053	1,385,739	10,231,149	11,616,887	1,940,761	2002 4	υ yrs.

Subtotal Operating Real Estate

92,401,473 \$608,137,732 \$1,763,051,027 \$2,030,983,132 \$666,588,392 \$3,735,583,499 \$4,402,171,891 \$786,778,264

	•		Initial Co	st	Costs Capitalized	Gro	ss Amount Carried at End of	Period		Date of	
					Subsequent to	Land and	Building and	Total	Accumulated Depreciation	Construction   or	Depreciable life
Project	Location	Encumbrances	Land	Building	Acquisition	Improvements	Improvements	12/31/2006	12/31/06	Acquisition	(years)
DEVELOPMENT PROPERTIES 8400 Industrial Boulevard	American St. 19							/*** *** *	( N )		1.00.0
	Allentown, PA	, <b>S</b> , . ; ; ; ; –	\$ 6,883,389	. <b>s</b> - <sub>8</sub> ,	\$ 25,444,359	<b>S</b> <sub>121</sub>	\$ 32,327,747	\$ 32,327,747	2 =	2005	N/A
3500 High Point Boulevard	Bethlehem, PA		289,529		2,143,128	- 2 - 1 - 1 - 1 - 1 - 1	2,432,657	2,432,657	<del>.</del> .	2006	N/A
3450 High Point Boulevard 5705 Old Shakopee Road	Bethlehem, PA		303,197	3		. , <b>; -</b>	2,200,557	2,200,557	·	2006	N/A
	Bloomington, MN		2,113,223	, -,,	1,409,514		3,522,737	3,522,737	-	2001	N/A
8201 Industrial Boulevard	Breinigsville, PA	and the second	2,138,635	- ",	887,619	<del>-</del> , .	3,026,254	3,026,254		2006	N/A
6220 Old Dobbin Lane	Columbis, MD		3,865,848	,,	3,117,313	<del>.</del>	6,983,161	6,983,161	. ,	2006	N/A
7625 Smetana Lane	Eden Prairie, MN		4,500,641	- 5	1,416,645	-	5,917,287	5,917,287	. · ·	2006	N/A
7351 Coca Cola Drive	Elkridge, MD	-	1,897,044	- ,	4,722,406	<del>-</del> ,	6,619,450	6,619,450	_	2006	N/A
1100 Virginia Drive	Fort Washington, PA		22,612,437	-	18,251,084	-	40,863,521	40,863,521	. –	2006	N/A
7 Independence Pointe	Greenville, SC	-	932,484		4,353,296	-	5,285,780	5,285,780	-	2006	N/A
45 Brookfield Oaks Drive	Greenville, SC	-	818,114		3,151,403	-	3,969,517	3,969,517		2006	N/A
116 Pleasant Ridge Road	Greenville, SC	_	1,547,811	-	2,740,234	-	4,288,045	4,288,045	-	2006	N/A
1317 Executive Boulevard	Hampton, VA	-	1,650,423	<del>-</del> ;	5,221,412	-	6,871,836	6,871,836	, -	2006	N/A
600 Industrial Drive	Harrisburg, PA	-	7,743,800	_	24,665,626	-	32,409,426	32,409,426		2005	N/A
1498 Eagle Hill Drive	High Point, NC		94,274	*	5,688,012	-	5,782,285	5,782,285	-	2005	N/A
4475 Premier Drive	High Point, NC		748,693		3,600,826	-	4,349,519	4,349,519		2006	N/A
7 Wainut Grove Drive	Horsham, PA	-	2,631,696	:	9,130,339		11,762,035	11,762,035	f , =	2006	N/A
1646 Rankin Road	Houston, TX	_	329,961	-	4,049,825	-	4,379,785	4,379,785	_	2005	N/A
330 Fellowship Road	Mount Laurel, NJ	· · · -	3,730,570	* ]- ;	3,786,447	. Se transition - 2 to 1	7,517,017	7,517,017	.", · · <u>*</u>	2006	• N/A
6923 Lee Vista Boulevard	Orlando, FL	_	903,701	_	2,132,401	<del>-</del> '	3,036,102	3,036,102	. –	2006	N/A
851 Gills Drive	Orlando, FL	일 기가 기가 있다.	267,313		305,523	-337 ( <del>-1</del> 4)	572,836	572,836	- 12 cm	2006	N/A
950 Gills Drive	Orlando, FL	-	356,418	-	269,750	· · · · · · · · ·	626,167	626,167	_	2006	N/A
1000 Gills Drive	Orlando, FL	- '	333,873	- ]	269,171	_ `	603,044	603,044		2006	N/A
17th & JFK Tower	Philadelphia, PA	-	22,430,038	_ `	236,533,846	· -	258,963,884	258,963,884	_	2005	N/A
3900 Westerre Parkway	Richmond, VA	`	392,184	F	10,177,825		10,570,009	10,570,009		2005	N/A
Renaissance Blvd & Hwy 20	Sturtevant, WI		2,484,450		8,512,026	_	10,996,476	10,996,476	_	2006	N/A
Bridgeway III Land	Suffolk, VA	· · · · · · · · · · · · · · · · · · ·	904,052	1	6,717,091	- 1	7,621,143	7,621,143	· · · -	2006	N/A
910-926 Chad Lane	Tampa, FL		201,771		1,986,093		2,187,864	2,187,864	_	2006	N/A
150-182 Kelsey Lane	Tampa, FL	- 40° 40°	403,541	- 3	3,211,780	- 4	3,615,322	3,615,322	`~	2006	N/A
3701 Corporate Parkway	Upper Saucon, PA		1.078,674		8,445,567		9,524,241	9,524,241		2005	N/A
42 Kings Hill Avenue	West Malling, UK	3. <u>2.4</u> 13		.+.3		- · · · · · · · · · · · · · · · · · · ·	19,876,271	19,876,271		2005	N/A
l Kings Hill Aveune	West Malling, UK	_			5,746,898	'	5,746,898	5,746,898		2006	N/A
777 Township Line Road	Yardley, PA		3,436,013	-1.		_	14,072,170	14,072,170	* -	2005	N/A
Subtotal Development in Progress		<u> </u>	\$98,023,798	s	\$440,497,248	\$ -	\$ 538,521,045	\$ 538,521;045	<u>s</u> –		

			Initial	Cost	Costs Capitalized	Gross Am	ount Carried at End o	f Period		Date of	
Project	Location	· Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable l(fe (years)
LAND HELD FOR DEVELOPMENT	Locarioa	· Encumorances		Bananag	Acquisition	naprovenicaes	шргоченены	1231/1000		Acquisition	(7127)
Perryman Road Land	Aberdeen, MD	<b>S</b> :	\$ 12,046,811 \$		91.099 \$	- \$-12,137,910 ·	s - s	12,137,910	s · -	2005	N/A
LVCC Phase 2 Land	Bethlehem, PA		3,148,780	` ` <u>-</u> `	1,117,583 \$		_ *	4,266,363	_	1998	N/A
Lehigh Valley Corporate Center Land	Bethlehem, PA		265,842	· -	- S			265,842		1987	N/A
Boca Colannade Yamato Road	Boca Raton, FL	· -	3,649,792	_	1,103,719 \$	- 4,753,511	_	4,753,511	· –	1998	N/A
95 Kriner Road	Chambersburg, PA		8,662,788	_	7,761,134 \$	- 16,423,922	_	16,423,922	. –	2006	N/A
Battlefield Corp Ctr, Parcel 14	Chesapeake, VA	· -	1,532,779	_	6,634 S	- 1,539,413	_	1,539,413		2006	N/A
Rivers' Bend Land	Chesterfield, VA	· <u>-</u>	1,695,415	_	3,060,359 \$	0 4,755,773	-	4,755,773	· -	1995	N/A
501 Hewlett Packard Way	Chesterfield, VA	-	165,042	-	484,965 \$		_	650,007	-	1996	N/A
Pleasant Ridge Road Land	Greensboro, NC		828,289	_	- ·\$		-	828,289	-	2006	N/A
Southchase Business Park Land	Greenville, SC	-	1,369,712	-	688,157 \$		-	2,057,869	-	1998	N/A
Hunters Green Land	Hagerstown, MD		8,942,141	-	246,486 \$		-	9,188,627	-	2006	N/A
Lakefront Plaza II Land	Hampton, VA	157,601	132,785	-	92,936 \$		·	. 225,721	-	2001	N/A
Patapsco Valley Business Center	Hanover, MD	-	2,402,322	-	1,118,795 \$		<b>-</b> .	3,521,117		2004	N/A
Mendenhall Land	High Point, NC		1,910,135		5,028,104 \$		<del></del> .	6,938,239		1995	N/A
Piedmond Centre Land	High Point, NC	.12	866,380	, v, j=	526,614 \$			1,392,994	SNNL ⊤	2006	N/A
Horsham Business Center Land	Horsham, PA	. 337	80,800	-	455 \$			81,255		2005	N/A
Commonwealth Corporate Center Land		<a></a>	3,047,683	-	19,263 \$		eric com 🗂	3,066,946	462	2005	N/A
Central Green Land	Houston, TX	, am T	481,229	-	10,440 \$		, 5.	491,669	_	2001 2006	N/A
Fallbrok Drive Land	Houston, TX	5 5 m/8 s=	1,990,270			- 1,226,382		2,006,186 1,226,382	_	2006	N/A
Windfern Drive Land Noxell Land	Houston, TX Hunt Valley, MD	. , <del>-</del>	1,222,065 2,166,068		4,317 <b>S</b> 830,242 <b>\$</b>		F-94	2,996,310	-	2001	N/A
Liberty Business Park Land	Jacksonville, FL		448.097		90.019 \$		· · · _ · _ ·	538,116		1995	N/A
7024 AC Skinner Parkway	Jacksonville, FL	- a	468,643	· · · · · · · · · · · · · · · · · · ·	356,309 \$			824,952	111 St 12	1995	N/A
Belfort Road	Jacksonville, FL	* · · _	468,643	_	109,850 \$		· · · _	578,493	`	1998	N/A
Butler Plaza Land	Jacksonville, FL	E7-	4. 1,303,792	<u> </u>	1,706,463 \$		4 25.5	3,010,255	€*	1998	N/Ä
Salisbury Road Land	Jacksonville, FL		880,828	_	699,651 \$			1,580,479	· _	2000	N/A
Skinner Land Parcel B	Jacksonville, FL		2,306,191	· · · · -	1,102,674 \$	- 3,408,865		3,408,865	_	2005	····N/A
Kent County, UK	Kent County, UK	· · · · · · · · · · · · · · · · · · ·	_		7,698,943 \$		- '-	7,698,943	_	2006	N/A
Boulders Business Center Land	Lehigh, PA	· · · · · · · · · · · · · · · · · · ·	15,243,107	–	2,660,386 \$			17,903,493	_	2004	N/A
Mill Run Land	Lehigh, PA	-	2,882,221	-	49,691 \$		-	2,931,911	_	2005	N/A
Commodore Business Park	Logan, NJ	: -	1,458,019	-		(0) 1,458,019	-	1,458,019	_	1995	N/A
Quarry Ridge Land	Malvem, PA	3	8,398,708 2,362,904	. –	1.894,356 \$ 1.384.531 \$		-	10,293,063 3,747,435	_	2001 1999	N/A N/A
Park Place South Land Monarch Towne Center Land	Milwaukee, WI Mirarar, FL	; -	12,327,714	_	1,384,331 <b>3</b> - S		<b>-</b> ,	12,327,714	-	2006	N/A N/A
South 27th Street Land	Oak Creek, WI		1,594,760	, -	97,911 <b>\$</b>			1;692,671	. ]	2006	N/A
Maitland Summit Park Land	Orlando, I-L	· · · · · · · · · · · · · · · · · · ·	4,388,905		33,427 \$		_	4,422,332	_	2005	N/A
Beachline Industrial Park Land	Orlando, I L		1,103,606	· .	215.454 \$			1.319.061		2006	N/A
JFK & Arch Parking Lots/Land (West)	Philadelphia, PA	_	4,700,222	- · · · <u>-</u>	2,941,184 \$		_	7,641,406	_	2000	N/A
4775 League Island Boulevard	Philadelphia, PA	· i <sup>2</sup> · · · -	396,833	-	900,027 \$			1,296,860	·· . · -	2006	N/A
Eastport VII	Richmond, VA	_	787,091	-	844,001 <b>S</b>	- 1,631,092	<u> </u>	1,631,092	_	1997	N/A
Eastport VIII	Richmond, VA	1 ) L. 1.#	379,836		6,187 \$			386,023		· 1997	N/A
Eastport IX	Richmond, VA		209,856	· · · · · · -	5,096 S		-, "	214,952	-	1997	N/A
Westerre Land	Richmond, VA	_	738,090	-	902,239 \$			1,640,329	- 112	2003	*N/A
Romulus Land	Romulus, MI	_	788,338	_	733,216 \$		_	1,521,554	-	1998	N/A
Woodlands Center Land	Sandston, VA		928,555	-	290,438 \$		-	1,218,993	~	1996	N/A
Northsight Land (LPLP)	Scottsdale, AZ	<del>-</del>	7,247,107		1,130,879 \$		_	8,377,985		2005 2005	N/A
Bridgeway II Land Suffolk Land	Suffolk, VA Suffolk, VA	. –	678,039 2,713,494	_	1,703,485 <b>\$</b> 79,375 <b>\$</b>		-	2,381,525 2,792,869		2005	N/A N/A
6119 W. Linebaugh Avenue	Tampa, FL	-	175,886		22,320 \$		, . <del>.</del>	198,205			N/A N/A
Tampa Triangle Land	Tampa, FL		173,880	· · · · · <u>· E</u>	28,881 \$		· · · · _	198,203		2006	N/A . N/A
4631 Woodland Corporate Blvd Land	Tampa, FL	1 g = [	1,752,917	_	152,856 \$			1,905,773		2006	N/A
Big Beaver Airport Land	Troy, MI	-	3,176,411	_	(2,079,253) \$		-	1,097,158		1999	N/A
Subtotal Land Held for Development	ļ., .	<b>S</b> 157,601	\$147,364,204 \$	5	47,967,813	\$195,332,017	s - s	195,332,017	s -		
To LAN Brown of a	:	02.550.001	0053 535 831 0	1 763 051 037 4	2 510 440 102	<b>\$</b> 0.1.030.400.4	54.374.104.545.05	124 024 053	6707 770 271		
Total All Properties		3 92,559,074	\$853,525,734 \$	1,/03,031,027	2,219,448,192	3861,920,408 S	\$4,274,104,545 \$5	,130,024,933	3/80,//8,264		

Denotes property is collateralized under mortgages with American General, USG Annuity and Life, Metropolitan Life and LaSalle Bank totaling \$93.4 million.

# LIBERTY PROPERTY TRUST REAL ESTATE AND ACCUMULATED DEPRECIATION (In thousands)

A summary of activity for real estate and accumulated depreciation is as follows with related amounts that reflect discontinued operations as of September 30, 2007:

		YEAR ENDED DECEMBER 31,
REAL ESTATE:		2006 2005 2004
Balance at beginning of year Additions Disposition of property		\$ 4,680,178 \$ 4,332,444 \$ 3,971,470 823,880 653,167 409,125 (368,034) (305,433) (48,151)
Balance at end of year	•	\$ 5,136,024
ACCUMULATED DEPRECIATION: Balance at beginning of year Depreciation expense Disposition of property		\$ 715,983
Balance at end of year		\$ 786,778 <b>\$</b> 715,983 <b>\$</b> 664,652

### Report of Independent Registered Public Accounting Firm

# The Partners of Liberty Property Limited Partnership:

We have audited the accompanying consolidated balance sheets of Liberty Property Limited Partnership (the "Operating Partnership") as of December 31, 2006 and 2005, and the related consolidated statements of operations, owners' equity, and cash flows for each of the three years in the period ended December 31, 2006. Our audits also included the financial statement schedule listed in the Index to Exhibit 99.1. These financial statements and schedule are the responsibility of the Operating Partnership's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Liberty Property Limited Partnership at December 31, 2006 and 2005, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Liberty Property Limited Partnership's internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2007 (not provided herein) expressed an unqualified opinion thereon.

/s/Ernst & Young LLP

Philadelphia, Pennsylvania

February 23, 2007, except for Notes 2, 3, 5, 11, and 12, as to which the date is January 11, 2008

# CONSOLIDATED BALANCE SHEETS OF LIBERTY PROPERTY LIMITED PARTNERSHIP (IN THOUSANDS)

		DECEMBER 31,
ASSETS		2006 2005
Real estate:  Land and land improvements  Buildings and improvements  Less accumulated depreciation		\$ 666,588 \$ 608,88 3,735,583 3,587,73 (786,778) (715,98
Operating real estate	· · · · · · · · · · · · · · · · · · ·	3,615,393 3,480,61
Development in progress Land held for development		538,521 324,92 195,332 158,65
Net real estate		4,349,246 3,964,19
Cash and cash equivalents Restricted eash Accounts receivable Deferred rent receivable Deferred rent receivable Deferred rent receivable to return the receivable Deferred rent receivable Account of the receivable Deferred rent receivable Account of the receivable Prepaid expenses and other assets Prepaid expenses and other assets		\$1
Total assets		\$ 4,910,911 \$ 4,500,32
LLABILITIES Mortgage loans Unsecured notes Credit facility Accounts payable Accound interest Distributions payable Other labilities		\$ 185,978 \$ 238,72 1,955,000 1,755,00 246,960 255,43 3 40,633 32,9 36,297 34,89 58,961 56,45 217,751 164,52
Total liabilities		2,741,580 2,538,00
Minority interest		419 40
OWNERS' EQUITY General partner's equity – common units Lumited partners' equity – preferred units – common units	en de la composition de la composition La composition de la	1,871,604 1,709,18 210,960 184,65 86,348 68,06
Total owners equity	A CONTRACTOR OF THE STATE OF TH	%2,168,912 1,961,90
Total liabilities and owners' equity		<u>\$ 4,910,911</u> <u>\$ 4,500,32</u>
See accompanying notes.		

## CONSOLIDATED STATEMENTS OF OPERATIONS OF LIBERTY PROPERTY LIMITED PARTNERSHIP (IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

Part							/ YEA	R ENDED DECEMBER 31,	
Read proming spease reinbursenem         5 45,779 (155,000)         5 10,200 (155,000)         150,000 (15							2006	2005	2004
Observating separate primburatement         15,565         167,905         15,156         107,005         25,156         107,005         25,156         107,005         10,005 <t< th=""><th></th><th></th><th>the Your e</th><th></th><th></th><th>1.14</th><th>\$ 436,279</th><th>\$ 423.774</th><th>\$ 392,985</th></t<>			the Your e			1.14	\$ 436,279	\$ 423.774	\$ 392,985
Part		Carlonal C				and the second of			
Recal spaces   15,16%   19,27%   194,68%   1	Total operating revenue	•	:				621,744	591,703	543,516
Real state takes         66,07         59,00         54,48           Comeral and Manistrative         66,07         15,072         15,00         11,02           Common and Americation         15,072         15,00         11,02           Control profession         15,072         124,08         20,02           Control profession         248,79         247,55         239,64           Control profession         248,79         247,55         239,64           Control profession         9,032         7,182         5,52           Increase and other income (expense)         9,032         7,182         5,52           Increase propery dispersion in a month water and equity in earning         145,60         11,02         1,04,70         3,03,00           Increase propery dispersion in a month water and equity in earning         15,50         142,70         1,45,70	OPERATING EXPENSES	100	1	*					
Gener and			u .			111			
Total operating expenses							46,180	38,123	33,688
Operating income         288,70 (27,50)         239,821 (27,50)         239,821 (27,50)         239,821 (27,50)         239,822 (	Depreciation and amortization						135,372	126,808	111,272
## Partial precise from the CRYENESS   18	Total operating expenses						373,015	344,138	303,875
Interest and other income.   9,022   7,182   5,277   10   10   10   10   10   10   10	Operating income		Sec. 3. 2. 3.	1,11	•	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	248,729	247,565	239,641
Interest sepense   12,125   11,177   11,177   12,177	OTHER INCOME (EXPENSE)								
Total other income (expense)   100,100   100		Maria de la composição de	The second of	The state of the s	3.	e wat i			
Cost of unconsolidated joint ventures   145,000	•								
Table   1	Total other income(expense)	4,444	101			$\mathcal{H}$ .	(103,121)	(104,591)	(93,670)
Income   1988	Income before property dispositions, (loss) of unconsolidated joint ven	income taxes, minority i tures	interest and equity in earni	ings			145,608	142,974	145,971
Minority interest Equity in earnings (1000) of unconsolidated joint ventures         47         (157)         672 (275)           Equity in earnings (1000) of unconsolidated joint ventures         164,387         216,000         214,000           Income From continuing operations (including net gain on property dispositions of \$112,620, \$25,37 and \$11,600 for the years ended December 31, 2006, 2003 and 2004, respectively)         212,660         25,555         35,738           Net income         200,000         271,859         180,424           Excess of preferred unit distributions         13,600         12,000         12,000         11,844           Excess of preferred unit redemption over earlying amount         13,000         2278,359         25,936         3,883           Exersings per common unithorders         2278,359         25,936         3,883           Exersings per common unithorders         1,61         2,25         3,683           Basic         1,51         2,25         3,15           Income from continuing operations         1,61         2,25         3,15           Income from discontinued operations         2,18         2,28         2,10           Income from continuing operations         3,16         3,29         2,21         3,18           Income from continuing operations         3,16         3,29 <td></td> <td>the state</td> <td>W. 1</td> <td></td> <td></td> <td></td> <td>17,628</td> <td>B5,673,</td> <td></td>		the state	W. 1				17,628	B5,673,	
Equity in earnings (loss) of unconsolidated joint ventures         1,432         2,540         0,775           Income from continuing operations         164,387         216,003         144,504           Discontinued operations (including are gain on property dispositions of \$112,002         127,665         55,956         35,758           S16,513 rough \$11,603 for the years ended December 31,2006 2005 and 2004, respectively)         292,050         271,959         180,242           Preferred unit distributions         13,691         12,095         11,844           Excess of preferred unit redemption over carrying amount         13,691         20,306         271,959         168,308           Excess of preferred unit redemption over carrying amount         2278,359         259,364         2168,308           Excess of preferred unit redemption over carrying amount         2278,359         259,364         2168,308           Excess of preferred unit redemption over carrying amount         32,78,359         259,364         2168,308           Excess of preferred unit redemption over carrying amount         32,78,359         259,364         2168,308           Excess of preferred unit redemption over carrying amount         32,20,368         22,215         2168,308           Income from continuing operations         32,20,388         22,215         31,488			R.				(288)		
Discontinued operations (including net gain on property dispositions of \$11,600 to the years ended December 31,2006, 2005 and 2004, respectively)    Net Income   10		idated joint ventures	20 <b>11</b>	92.					
Discontinued operations (including net gain on property dispositions of \$112,620, \$35,978 and \$11,603 for the years ended December \$11,005, 2005 and 2004, respectively)    Net income	Income from continuing operation		Market A		-		164,387	216,003	144,504
Side	Discontinued operations (including a		ositions of \$112,620,						
Preferred unit distributions         13,691         12,095         11,844           Excess of preferred unit redemption over earlying amount         500         500         500           Income waitable to common unitholders         \$ 278,359         \$ 259,364         \$ 168,398           Earnings per common unith         \$ 1.61         \$ 2.25         \$ 1.50           Basic:         1.37         0.62         0.41           Income from discontinuod operations         1.37         0.62         0.41           Income per common unit — basic         \$ 2.98         \$ 2.87         \$ 1.91           Diffued:         \$ 1.60         \$ 2.21         \$ 1.48           Income from continuing operations         \$ 1.60         \$ 2.21         \$ 1.48           Income from continuing operations         \$ 1.60         \$ 2.21         \$ 1.48           Income from continued operations         \$ 2.95         \$ 2.82         \$ 1.88           Income from continued operations         \$ 2.25         \$ 2.82         \$ 1.88           Weighted average number of common units outstanding         99,208         90,540         \$ 88,210				ctively)			127,663	55,956	35,738
Second average number of common units outstanding   S 278,359   S 259,364   S 168,398   S 278,359   S 259,364   S 168,398   S 278,359   S 259,364   S 168,398   S 278,359					. 2		292,050		
S 278,359	Preferred unit distributions	960 - 140, 756 - 1	full dis				13,691		11,844
Earlings per common unit   Sair;   S			#I - 1 (51 §					<del></del> ,	<del></del>
Basic	Income available to common unithol	ders		•			\$ 278,359	259,364	168,398
Income from continuing operations   S   1.61   S   2.25   S   1.50     Income from discontinued operations   1.37   0.62   0.41     Income per common unit — basic   S   2.98   S   2.87   S   1.91     Diluted:			. With All and	***			· · · · · · · · · · · · · · · · · · ·		
Income per common unit — basic   S 2.98   S 2.87   S 1.91	Income from continuing operation		. it'				\$ 1.61		
S 298   S 287   S 1.91	Income from discontinued operat	ions					1.37	0.62	0.41
Income from continuing operations   \$ 1.60   \$ 2.21   \$ 1.48     Income from discontinued operations   \$ 1.60   \$ 2.21   \$ 1.48     Income from discontinued operations   \$ 1.35   \$ 0.61   \$ 0.40     Income per common unit — diluted   \$ 2.95   \$ 2.82   \$ 1.88     Weighted average number of common units outstanding   \$ 93,208   90,540   \$ 88,210     Basic   \$ 93,208   90,540   \$ 88,210     Basic   \$ 93,208   90,540   \$ 88,210     Continued the period of the pe	Income per common unit - basi						\$ 2.98	<u>\$2.87</u>	<u>s 1.91</u>
Income from discontinued operations  1.35 0.61 0.40 Income per common unit – diluted  5.2.95 5.2.82 5.1.88 Weighted average number of common units outstanding Basic		2 2 2	d				e 140	• 221	e 140+
Weighted average number of common units outstanding Basic 93,208 90,540 88,210			.31						
Basic 93,208 90,540 88,210	Income per common unit — dilut	ed i et .	W. 1			1 2 25	\$ 2.95	<u>\$ 2.82</u>	\$ 1.88
Basic 93,208 90,540 88,210	Weighted average number of commo	n units outstanding							
United 94,387 91,931 89,700	Basic		1				93,208		88,210
	Diluted						94,38/	ונע,וע	89,700

See accompanying notes.

# CONSOLIDATED STATEMENTS OF OWNERS' EQUITY OF LIBERTY PROPERTY LIMITED PARTNERSHIP (IN THOUSANDS)

				•	GENERAL PARTNER'S EQUITY	LIMITED PARTNERS' EQUITY	TOTAL OWNERS' EQUITY
Balance at January 1, 2004 Contributions from partners Distributions to partners					\$ 1,544,897 85,967 (206,443)	204,212 1,593 (20,718)	\$ 1,749,109 87,560 (227,161)
Issuance of operating partnership units Foreign currency translation adjustment Net income	: .			T 15 18 18	10,395 161,443	18,799	10,395 180,242
Balance at December 31, 2004 Contributions from partners Distributions to partners Issuance of operating partnership units Foreign currency translation adjustment Net income					1,596,259 93,157 (214,386) (15,199) 249,351	203,886 (1,664) (21,290) 49,186 22,608	1,800,145 91,493 (235,676) 49,186 (15,199) 271,959
Balance at December 31, 2005 Contributions from partners Distributions to partners, Issuance of operating partnership units Foreign currency translation adjustment. Net incurre			1/2 (7/3 ) 3 - 3 (7/4 ) 4 - 1 (7/4 ) 4 (7/4 )		10,417 266,574	252,726 (14,067) (23,129) 56,302 225,476	1,961,908 93,271 (245,036) 56,302 10,417 
Balance at December 31, 2006	7.50	1	19-62 (F. 19-12-17)		<u>s . 1,871,604</u>	\$ 297,308	\$ 2,168,912

See accompanying notes.

# CONSOLIDATED STATEMENTS OF CASH FLOWS OF LIBERTY PROPERTY LIMITED PARTNERSHIP (IN THOUSANDS)

					YEAR E	NDED DECEMBER 31,	
			and the same of the same		2006	2005	2004
OPERATING ACTIVITIES			The Control of the Control		202.050	234.000	100,011
Net income Adjustments to reconcile net income to net cash	provided by operating activities			1995	292,050 S	271,959 S	180,242
Depreciation and amortization	brostose by obernuing activities; }	And the second of the			151,966	150,722	136,700
Amortization of deferred financing costs					4,244	4,758	4,31:
Equity in (earnings) loss of unconsolidated ju					(1,432)	(2,540)	77:
Distributions from unconsolidated joint ventue Minority interest in net income	ures	* *			5,692 (7)	4,651 . 357	68. (63.
Gain on property dispositions	н .			, +*+	(130,248)	(122,210)	. (12,09
Noncash compensation					6,212	5,032	2,38
Changes in operating assets and liabilities:	T'						
Restricted cash Accounts receivable	t-				(21,692) (6,879)	3,849 1,804	(19,33 (8,44
Deferred rent receivable					924	(6,290)	(8,51
Prepaid expenses and other assets					(14,394)	(12,488)	(12,04
Accounts payable		<u>-</u>			7,648	8,894	8,85
Accrued interest Other liabilities	and the state of t			e di di	1,405 49,412	(102) 52,353	2,16 18,28
			and the second second				
Net cash provided by operating activities	and the state of t	الأنباء أبيا بالسا	Marian Carlotter	a de la companya de l La companya de la companya de	344,901	360,749	293,33
NVESTING ACTIVITIES	ETANES INS	The second of th			(372,610)	(324,340)	(253,01
vestment in properties	11 <b>41</b> 55 0.5	AN STATE OF THE ST	. 4	والأملاث أناء البرا	(6,239)	(324,340) (13,790)	(6,19
et proceeds from disposition of properties/land	CARANTHUM VITE	and the second second second		12 1 f 3 1 Met.	492,548	415,144	54,1
vestment in development in progress					(359,959)	(235,078)	(105,20
crease in land held for development			The second		(79,976)	(91,436)	(34,12
Net cash used in investing activities	was a second of				(29,034)	(37,133)	(29,56
	. A	25% F	A Company of State Com-	. "V tw/	(355,270)	(286,633)	·\(373,97
FINANCING ACTIVITIES  Let proceeds from issuance of unsecured notes	16.				295.393	206.424	197,51
en proceeds from issuance of unsecured notes	II;		•		(100,000)	296,424	(100,00
foceeds from mortgage loans	1.8	•			· -	*.	9,61
epayments of mortgage loans	4		•		(56,406)	(173,926)	(23,59
Toceeds from credit facility	÷ à	•			725,025	784,800	477,80
repayments on credit facility	1				(733,515) (1,635)	(841,350) (3,465)	(332,80
Apital contributions	ı	•			113,348	135,148	86,32
Distributions to partners	j.,				(242,537)	(237,101)	(225,05
Net cash (used in) provided by financing activitie					(137)	(20.470)	90.41
ret cash (used in) provided by linancing activitie	es		•		(327)	(39,470)	89,61
Decrease) increase in cash and cash equivalents	am . W		•		(10,696)	34,646	8,97
crease (decrease) in cash and cash equivalents	related to foreign currency translation	n .			2,804	(6,684)	2,8
ash and cash equivalents at beginning of year			. Z in	- 1	61,629	33,667	21,80
ash and cash equivalents at end of year				2	53,737	61,629 <b>\$</b>	33,66
· · · · · · · · · · · · · · · · · · ·				<u> </u>	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
UPPLEMENTAL DISCLOSURE OF NONC	CASH TRANSACTIONS	or and the second second	and the second of the	11.5 %		7.86	198"
Write-off of fully depreciated property and defen	rred costs			S	87,424 S	83,794 <b>\$</b>	27,99
sauance of operating partnership common units	SOUTH AND SOUTH		513 L		30,000	- 1.11.E	
equisition of properties	as a control of gar				(3,066)	(51,716)	(11,30
Assumption of mortgage loans	talian of the				3,066	51,716	. 11,30

See accompanying notes.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LIBERTY PROPERTY LIMITED PARTNERSHIP

#### 1. ORGANIZATION

Liberty Property Trust (the "Trust") is a self-administered and self-managed Maryland real estate investment trust (a "REIT"). Substantially all of the Trust's assets are owned directly or indirectly, and substantially all of the Trust's operations are conducted directly or indirectly, by its subsidiary, Liberty Property Limited Partnership, a Pennsylvania limited partnership (the "Operating Partnership" and, together with the Trust and their consolidated subsidiaries, the "Company"). The Trust is the sole general partner and also a limited partner of the Operating Partnership, owning 95.6% of the common equity of the Operating Partnership at December 31, 2006. The Company provides leasing, property management, development, acquisition, and other tenant-related services for a portfolio of industrial and office properties which are located principally within the Mid-Atlantic, Southeastern and Midwestern United States and the United Kingdom.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### lise of Fetimeter

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("US GAAP") requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Principles of Consolidation

The consolidated financial statements of the Company include the Operating Partnership and wholly owned subsidiaries and those subsidiaries in which the Company owns a majority voting interest with the ability to control operations of the subsidiaries and where no approval, veto or other important rights have been granted to the minority shareholders. All significant intercompany transactions and accounts have been eliminated.

#### Reclassifications

Certain amounts from prior years have been reclassified to conform to current-year presentation.

## Real Estate and Depreciation

The properties are recorded at cost and are depreciated using the straight line method over their estimated useful lives. The estimated lives are as follows:

Building and Improvements 40 years (blended)
Equipment 5 – 10 years
Tenant improvements Term of the related lease

Expenditures directly related to acquisition or improvement of real estate, including interest and other costs capitalized during development, are included in net real estate and are stated at cost. The capitalized costs include pre-construction costs essential to the development of the property, development and construction costs, interest costs, real estate taxes, development-related salaries and other costs incurred during the period of development. Expenditures for maintenance and repairs are charged to operations as incurred.

In accordance with the Financial Accounting Standards Board ("FASB") Statement of Financial Standards ("SFAS") No. 141, "Business Combinations," the Company allocates the purchase price of real estate to land, building and improvements and intangibles based on the relative fair value of each component. The value ascribed to in-place leases is based on the rental rates for the existing leases compared to market rent for leases of similar terms and present valuing the difference based on market interest rates. Origination values are also assigned to in-place leases, and, where appropriate, value is assigned to customer relationships. The Company depreciates the amounts allocated to building and improvements over 40 years and the amounts allocated to intangible assets relating to in-place leases, which are included in deferred financing and leasing costs and other liabilities in the accompanying consolidated balance sheets, over the remaining term of the related leases.

Once a property is designated as held for sale, no further depreciation expense is recorded. Operations for properties identified as held for sale and/or sold where no continuing involvement exists are presented in discontinued operations for all periods presented.

The Company evaluates its real estate investments and its investments in unconsolidated joint ventures upon occurrence of a significant adverse change in its operations to assess whether any impairment indicators are present

that affect the recovery of the recorded value. If any real estate investment or investment in unconsolidated joint ventures is considered impaired, a loss is recognized to reduce the carrying value of the property to its estimated fair value.

### Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures using the equity method of accounting as the Company exercises significant influence, but does not control these entities. Under the equity method of accounting, the net equity investment of the Company is reflected in the accompanying consolidated balance sheets and the Company's share of net income from the joint ventures is included in the accompanying consolidated statements of operations.

## Cash and Cash Equivalents

Highly liquid investments with a maturity of three months or less when purchased are classified as cash equivalents.

Restricted cash includes tenant security deposits and escrow funds that the Company maintains pursuant to certain mortgage loans. Restricted cash also includes the undistributed proceeds from the sale of residential land in Kent County, United Kingdom.

## Accounts Receivable

The Company's accounts receivable are comprised of rents and charges for property operating costs due from tenants. The Company periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are collectible. Based on this review, accounts receivable are reduced by an allowance for doubtful accounts. The Company considers tenant credit quality and payment history and general economic conditions in determining the allowance for doubtful accounts. If the accounts receivable balance is subsequently deemed uncollectible, the receivable and allowance for doubtful account balance is written off.

The allowance for doubtful accounts at December 31, 2006 and 2005 was \$5.1 million and \$6.7 million, respectively.

#### Deferred Rent Receivable

The Company's deferred rent receivable represents the cumulative difference between rent revenue recognized on a straight line basis and contractual payments due under the terms of tenant leases.

The Company earns rental income under operating leases with tenants. Rental income is recognized on a straight line basis over the applicable lease term. Operating expense reimbursements consisting of amounts due from tenants for real estate taxes, utilities and other recoverable costs are recognized as revenue in the period in which the corresponding expenses are incurred.

Termination fees (included in rental revenue) are fees that the Company has agreed to accept in consideration for permitting certain tenants to terminate their lease prior to the contractual expiration date. The Company recognizes termination fees in accordance with Staff Accounting Bulletin 104 when the following conditions are met:

- the termination agreement is executed.
- the termination fee is determinable,
- all landlord services, pursuant to the terminated lease, have been rendered, and collectibility of the termination fee is assured.

### Deferred Financing and Leasing Costs

Costs incurred in connection with financing or leasing are capitalized and amortized over the term of the related loan or lease. Deferred financing cost amortization is reported as interest expense. Intangible assets related to acquired in-place leases are amortized over the terms of the related leases.

## Costs Incurred for Preferred Unit Issuance

Costs incurred in connection with the Company's preferred unit issuances are reflected as a reduction of Limited partner's equity - preferred units.

Income per Common Unit
The following table sets forth the computation of basic and diluted income per common unit (in thousands, except per unit amounts):

		2006				2005	
	INCOME (NUMERATOR)	WEIGHTED AVERAGE UNITS (DENOMINATOR)	PER Unit		INCOME (NUMERATOR)	WEIGHTED AVERAGE UNITS (DENOMINATOR)	PER UNIT
Income from continuing operations Less: Preferred unit distributions Excess of preferred unit retemption over carrying amount	\$ 164,387 (13,691)				\$ 216,003 (12,095) (500)	information of the second of t	
Basic Income from continuing operations functome from continuing operations available to common unitholders	150,696	93,208	<u>\$ 1.61</u>		203,408	90,540	2.25
Dilutive units for long-term compensation plans	<del></del>	1,179				1,391	
Diluted lacome from continuing operations lacome from continuing operations available to common untiholders and assumed conversions	150,696	94,387	\$ 1.60	•	203,408	91,931	2.21
Basic Income from discontinued operations Discontinued operations Discontinued operations Disluture units for long-term compensation plans	127,663	93,208 1,179	<u>s 137</u>	· .	55,956	90,340 1,391	0 62
Diluted Income from discontinued operations Discontinued operations	127,663	94,387	\$ 1.35		55,956	91,931	0.61
Basic income per common unit home available to common unitholders Diluture shares for long-term compensation plans	278,359	93,208	2.98	1 .	259,364 🦪 🕺	90,540	2.87
Diluted laconte per common unit Income available to common unitholders and assumed conversions	\$ 278,359	94,387	\$ 2.95		\$ 259,364		2.82
		2004					
become frôm continuing operations Less: Preferred unst distributions	INCOME (NUMERATOR) \$ 144,504 (11,844)	WEIGHTED AVERAGE UNITS (BENOMINATOR)	PER Unit				
Basic income from continuing operations income from continuing operations available to common untitolders	132,660	; , , , , , , , , , , , , , , , , , , ,	s 1.50				
Dilutive units for long-term compensation plans		1,490	,				
Diluted income from continuing operations Income from continuing operations available to common unitholders and assumed conversions	132,660	89,700	: <u>\$ :: 1.48</u>				
Basic income from discontinued operations Discontinued operations	35,738	88,210	% <u>\$ + √ + 0.41</u>				
Dilutive units for long-term compensation plans		1,490					
Diluted income from discontinued operations Discontinued operations	35,738	89,700	\$ 040				
Basic income per common unit Income available to common unitholders	168,398	88,210	<u>\$ 191</u>				
Dilutive unit for long-term compensation plans	<del></del>	1,490					
Diluted income per common unit Income available to common unitholders and assumed conversions	\$ 168,398	89,700	· · · <u>\$ · · · 188</u>				

Fair Value of Financial Instruments
The carrying value of cash and cash equivalents, restricted cash, accounts receivable, deferred rent receivable, accounts payable, accrued interest, distributions payable and other liabilities are reasonable estimates of fair values because of the short-term nature of these instruments. The fair value of the Company's long-term debt, which is based on estimates by management and on rates quoted on December 31, 2006 for comparable loans, exceeds the aggregate carrying value by approximately \$91 million at December 31, 2006.

#### Income Taxes

In conformity with the Internal Revenue Code and applicable state and local tax statutes, taxable income or loss of the Operating Partnership is required to be reported in the tax returns of the partners in accordance with the terms of the Partnership Agreement. However, the Company is taxed in certain states and the United Kingdom. Accordingly, the Company has recognized federal, state and local taxes in accordance with US GAAP, as applicable.

Certain of the Company's taxable REIT subsidiaries have net operating loss carryforwards of approximately \$9.7 million available as of December 31, 2006. These carryforwards begin to expire in 2013. We have considered estimated future taxable income and have determined that a valuation allowance for the full carrying value of net operating loss carryforwards is appropriate.

### Foreign Currency Translation

The functional currency of the Company's United Kingdom operations is pounds sterling. The Company translates the financial statements for the United Kingdom operations into US dollars. Gains and losses resulting from this translation do not impact the results of operations and are included in accumulated other comprehensive income as a separate component of shareholders' equity. Accumulated other comprehensive income consists solely of translation adjustments as described. Other comprehensive income (loss) was \$10.4 million, (\$15.2 million) and \$10.4 million for the years ended December 31, 2006, 2005 and 2004, respectively. Upon sale or upon complete or substantially complete liquidation of a foreign investment, the gain or loss on the sale will include the cumulative translation adjustments that have been previously recorded in other comprehensive income.

## Recently Issued Accounting Standards

#### SEAS No. 15

In December 2004, the FASB issued SFAS No. 153, "Accounting for Non-monetary Transactions" ("SFAS No. 153"). SFAS No. 153 requires non-monetary exchanges to be accounted for at fair value, recognizing any gain or loss, if the transactions meet a commercial substance criterion and fair value is determinable. The provisions of SFAS No. 153 are effective for non-monetary asset exchanges occurring in fiscal years beginning after June 15, 2005. The Company adopted the provisions of SFAS No. 153 on January 1, 2006 and the adoption did not have a material impact on the Company's results of operations or its financial position.

#### EITF Issue 04-5

In June 2005, the FASB ratified its consensus in EITF Issue 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights" ("Issue 04-5"). The effective date for Issue 04-5 was June 29, 2005 for all new or modified partnerships and January 1, 2006 for all other partnerships. The adoption of Issue 04-5 did not have a material impact on the Company's results of operations or its financial position.

#### SEAS No. 157

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"), which defines fair value, establishes a framework for consistently measuring fair value under GAAP, and expands disclosures about fair value measurements. SFAS No. 157 is effective for the Company beginning January 1, 2008, and the provisions of SFAS No. 157 will be applied prospectively as of that date. The Company does not anticipate that the adoption of this statement will have a material effect on its financial position or results of operations.

#### FIN 48

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 is an interpretation of SFAS No. 109, "Accounting for Income Taxes," and it seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to the uncertainty in income taxes. FIN 48 is effective for the Company beginning January 1, 2007. The cumulative effect, if any, of applying FIN 48 is to be reported as an adjustment to the opening balance of retained earnings in the year of adoption. The Company is currently evaluating the financial impact, if any, of the interpretation and will adopt the provisions of FIN 48 on January 1, 2007.

## 3. REAL ESTATE

The Company owns and operates industrial and office properties located principally in suburban mixed-use developments or business parks. The carrying value of these properties by type as of December 31, 2006 and 2005 is as follows, with restated amounts that reflect discontinued operations as of September 30, 2007 (in thousands):

						LAND AND LAND IMPROVEMENTS	BUILDINGS AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
2006 Industrial properties Office properties		•			 S	\$ 300,716 365,872	\$ 1,606,151 2,129,432	\$1,906,867 2,495,304	\$ 360,903 425,875
2006 Total						\$ 666,588	\$ 3,735,583	\$4,402,171	\$ 786,778
2005 Industrial properties									
Office properties	•			*	*.	\$ ; 296,804 312,064	\$ 1,614,194 1,973,539	\$1,910,998 2,285,603	\$ 327,093 388,890
2005 Total			5 *	•		\$ 608,868	\$ 3,587,733	\$4,196,601	\$ 715,983

Depreciation expense was \$124.9 million in 2006, \$123.3 million in 2005 and \$114.2 million in 2004.

As of December 31, 2006, the Company commenced development on 38 properties, which upon completion are expected to comprise 7.4 million square feet of leaseable space. As of December 31, 2006, \$538.3 million had been expended for the development of these projects and an additional \$475.0 million is estimated to be required for completion.

Information on the operating properties the Company sold during the years ended December 31, 2006 and 2005 is as follows:

SEGMENT												NUMBER OF BUILDINGS	LEASEABLE SQUARE FEET	PROCEEDS (in thousands)
Delaware Valley Southeastern Pen Other	nsylvania		357 :					1.5			. ~ ; .	3 3	1,146,940 155,056	\$ 101,700 10,760
Midwest Lehigh Valley Other Mid-Atlantic Florida			٠			¥	. 3"				,	,5 16 16 3	716,758 2,519,409 1,449,464 147,262	134,375
Total		•				.: -			:			46	6,134,889	\$ 502,864
2005 SALES SEGMENT					<del></del>					-		NUMBER OF BUILDINGS	LEASEABLE SQUARE FEET	PROCEEDS
Delaware Valley Southeastern Pen Other Midwest Lehigh Valley Other	nsylvania	•		٠								2 (3	139,760 177,733 142,204 400,262	(in thousands) \$ 7,864 12,333 8,676 23,236
Mid-Atlantic Florida United Kingdom												4 6 16	727,732 726,632 602,175	51,570 53,834 263,343
Total												51	2,916,498	S 420,856

## INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

Liberty Venture I, LP
The Company has a 25% interest in Liberty Venture 1, LP, an entity engaged in ownership of industrial distribution properties in New Jersey (the Delaware Valley – Other segment). The Company also provides development, leasing and property management services for a fee, and may receive a promoted interest if certain return thresholds are met.

The Company recognized \$634,000, \$934,000, and \$742,000 for development, leasing and property management services during the years ended December 31, 2006, 2005 and 2004, respectively.

Kings Hill Unit Trust
On December 14, 2005, the Company entered into a joint venture agreement ("Kings Hill Unit Trust") with Doughty Hanson & Co. Real Estate. The Company sold 15 properties with a net book value of \$125.8 million to the joint venture for proceeds of \$219.9 million. In addition, the Company holds a \$7.5 million note receivable from the Kings Hill Unit Trust and retained a 20% ownership interest in the joint venture. The note receivable bears interest at a 9% rate. The Company recognized a \$75.1 million gain net of \$14.5 million of tax on the sale of the properties to the Kings Hill Unit Trust. Due to the Company's continuing involvement in this joint venture, the operations to the date of sale, as well as the gain on sale and related taxes are included in income from continuing operations in the accompanying consolidated statements of operations. The properties which were sold are industrial-flex and office properties and were included in the Company's United Kingdom segment. The Company provides property management services for a fee, and may receive a promoted interest if

Income from property management fees and interest was \$1.3 million during the year ended December 31, 2006.

Liberty/Commerz 1701 JFK Boulevard, LP

On April 13, 2006, the Company entered into a joint venture ("Liberty/Commerz 1701 JFK Boulevard, LP") with an affiliate of Commerzleasing und Immobilien AG, a wholly owned subsidiary of Commerzbank AG, pursuant to which it sold an 80% interest in the equity of Comcast Center, a 1.25 million square foot office tower the Company is developing in Philadelphia, Pennsylvania. The transaction valued the property at \$512 million. In connection with the transaction, the joint venture obtained a \$324 million forward loan commitment at a rate of 6.15% assuming the loan closes in March 2008. In addition to retaining a 20% interest, the Company will earn leasing and property management fees and may receive a promoted interest if certain return thresholds are met.

Under the terms of the joint venture arrangement, the Company is obligated to complete development of the building, the estimated cost of which is approximately \$495 million, and is also obligated to complete the initial lease up of the property. Based on the updated leasing schedule Liberty may have to fund \$3.5 million in rent support. The criteria for sale recognition in accordance with SFAS No. 66, "Accounting for the Sale of Real Estate." have not been met and this transaction is accounted for as a financing arrangement.

Liberty Illinois, LP
On April 25, 2006, the Company entered into a joint venture ("Liberty Illinois, LP") with the New York State Common Retirement Fund, selling a 75% equity interest in six distribution buildings totaling 2.1 million square feet and 104 acres of developable land. The joint venture valued the buildings and land at \$125.0 million. The Company retained a 25% ownership interest in the joint venture, and will earn development, leasing and property management fees, and may receive a promoted interest if certain return thresholds are met.

During the year ended December 31, 2006 the joint venture began construction on two buildings. Under the terms of the joint venture arrangement, the Company is obligated to complete development of the buildings, the estimated cost of which is approximately \$39 million.

The Company recognized \$777,000 for development and property management services during the year ended December 31, 2006.

As of December 31, 2006, the Company had a 50% ownership interest in three additional unconsolidated joint ventures. These joint ventures have investments in properties under development, land or in leaseholds and do not operate or own operating properties.

The Company's share of each of the joint venture's earnings is included in equity in earnings (loss) of unconsolidated joint ventures in the accompanying consolidated statements of operations.

The condensed balance sheets as of December 31, 2006 and 2005 and statements of operations for Liberty Venture I, LP, Liberty Illinois, LP, Kings Hill Unit Trust and other unconsolidated joint ventures for the years ended December 31, 2006, 2005 and 2004 are as follows (in thousands):

# Balance Sheets:

	•									EMBER 31, 200	16				
						LIBERTY VENTURE I, LP		LIBERTY ILLINOIS, L.P		KINGS HILL Unit Trust	_	OTHER			OTAL
Real estate assets Accumulated depreciation		$M_{\nu}$	:	1986		\$ 116,324 (10,183)	HALL.	\$ 119,787, (1,842)		228,120 (4,213)	: ::::::::::::::::::::::::::::::::::::	1, 1% =		s	464,231 (16,238)
Real estate assets, net Development in progress Land held for development Other assets	er. T	* * * * * *				2,733 13,723	\$94 :-	117,945 28,420 8,246 6,214		223,907 - - 20,838	-	24,088 31,078 13,024			447,993 52,508 42,057 53,799
Total assets						\$ 122,597		S 160,825		244,745	2	68,190		5	596,357
Debi Other liabilities Equity						\$ 74,063 1,182 47,352		\$ 86,681 5,005 69,139	:	\$ 186,010 49,584 9,151	s 	10,600 4,420 53,170		s 	357,354 60,191 178,812
Total liabilities and equity			٠.			\$ 122,597		S 160,825		244,745	. 3	68,190	. 587	<u>s</u>	596,357
Company's net investment in unconsol	lidated joint venture	es (1)				\$ 11,293		<b>S</b> 11,259	3	7,527	<u>s</u>	24,644		5	54,723
									DEC	EMBER 31, 200	5				
						LIBERTY VENTURE I, LP		LIBERTY ILLINOIS, LP		EMBER 31, 200 KINGS HILL UNIT TRUST	95	OTHER			OTAL
Real estate assets Accumulated depreciation	. T		<sub>[N</sub> va]				् शस्त्रकृतः (	ILLINOIS, LP		KINGS HILL UNIT TRUST		OTHER	45520.20		OTAL 323,292 (7,863)
Accumulated depreciation  Real estate assets, her	ar er e Ratiti in		i juras	aran.		VENTURE I, LP		ILLINOIS, LP		KINGS HILL UNIT TRUST 202,200 (284)	Magni s		ni yan yangising	s	323,292
Accumulated depreciation			gwas Gwas	agen. Saan	and the second of the second o	VENTURE I, LP S 121,092 (7,579)		ILLINOIS, LP		KINGS HILL UNIT TRUST 202,200 (284)	Magni s			s · · ·	323,292 (7,863)
Accumulated depreciation  Real estate assets, her  Development in progress  Land held for development						VENTURE I, LP \$ 121,092 (7,579) 113,513 2,750		ILLINOIS, LP		KINGS HILL UNIT TRUST 202,200 (284) 201,916	***** <b>s</b>	37,812		Sasani Sasani	323,292 (7,863) 315,429 40,562
Accumulated depreciation  Real estate assets, her  Development in progress  Land held for development  Other assets				SALVE		VENTURE I, LP  \$		ILLINOIS, LP		KINGS HILL UNIT TRUST 202,200 (284) 201,916 18,499	***** <b>s</b>	37,812 9,980 47,792		\$	323,292 (7,863) 315,429 40,562 43,401
Accumulated depreciation  Real entire assets, her Development in progress Land held for development Other assets  Total assets  Debt Other liabilities						VENTURE 1, LP  \$		S S S S S S S S S S S S S S S S S S S		KINGS HILL UNIT TRUST  202,200 (284)  201,916  18,499  220,415  163,448  44,028	\$ 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	37,812 9,980 47,792		\$	323,292 (7,863) 315,429 40,562 43,401 399,392 241,274 46,990

<sup>(1)</sup> Differences between the Company's net investment is uncunsolidated joint ventures and its underlying equity in the net assets of the venture is primarily a result of the deferral of gains associated with the sales of properties to joint ventures in which the Company retains an ownership interest. Deferred gains are amortized to equity in earnings (loss) of joint ventures over the average estimated useful lives of the assets sold.

# Statements of Operations:

		YEAR ENDED DECEMBER 31, 2006	
•	LIBERTY VENTURE I, LP	LIBERTY KINGS HILL LLINOIS, LP UNIT TRUST	OTHER TOTAL
Total revenue :	\$ 18,395 5,364	\$ 7,471 \$ 18,183 1,833 2,181	\$ - \$ 44,04 171
	13,031	5,638	(171) 34,50
Interest Depreciation and amortization (SS ) Other income/(expense) Gain on sale	(4,501) (4,544) (127) 2,644	(2,527) (13,455) (2,502) (6,267) 5 (604)	- (20,48 - (13,31: 392 (33: 138 2,78
Net income (loss)	\$ 6,503	S 614 S (4,324)	<u>\$ 359</u> <u>\$ 3,15</u>
Company's equity in earnings (loss) of unconsolidated joint ventures	<u>\$ 1,651</u> per	\$ 259 <u>\$ (657)</u>	<u>\$ 179</u> <u>\$ 1,43</u>
		YEAR ENDED DECEMBER 31, 2005	
	LIBERTY VENTURE I, LP	LIBERTY KINGS HILL LLINOIS, LP UNIT TRUST	OTHER TOTAL
Total revenue: (2.3), (2.3), (3.4)	\$ 18,592 5,859	\$	\$\$ 19,33 
in the second of	12,733% (1 4. 5.	- 544	(32) 13,24
Interest Depreciation and amortization Unter income/(expense) Gain on sale	(4,569) (4,933) (184) 7,555	(33)	- (5,20, (5,31) 3,066 2,84 - 7,55:
Net income (loss)	\$ 10,602	<u>\$</u> (509)	\$ 3,034 <b>\$</b> 13,12
Company's equity in earnings (loss) of unconsolidated joint ventures	2,650	<u>s (110)</u>	<u> </u>
		YEAR ENDED DECEMBER 31, 2004	
	LIBERTY VENTURE I, LP	LIBERTY KINGS HILL ILLINOIS, LP UNIT TRUST	OTHER TOTAL
Total revenue Operating expense	\$ 18,746 · . 	<u> </u>	\$ - \$ 18,744 - 6,731
San	12,010	<del>-</del>	- 12,010
Interest Depreciation and amortization	(4,426) (10,683)	. <u> </u>	- (4,42d
Net loss	\$ (3,099)	<u>s -</u>	<u>s</u> <u>-</u> <u>s</u> (3,09)
Company's equity in loss of unconsolidated joint ventures	<u>\$ (775)</u>	<u>\$ - 1                                  </u>	<u>s - (77)</u>

#### DEFERRED FINANCING AND LEASING COSTS

Deferred financing and leasing costs at December 31, 2006 and 2005 are as follows (in thousands):

		DECEMBER 31,
		2006 2005
Deferred leasing costs Deferred financing costs		\$ 145,292 \$ 150,049 8,476 23,266
In-place lease value and related intangible asset		71,496 52,945
Accumulated amortization	146	225,264 226,260 (97,362) (104,777)
Total		<u>\$ 127,902</u> <u>\$ 121,483</u>

Indebtedness consists of mortgage loans, unsecured notes, borrowings under the credit facility and the Liberty/Commerz 1701 JFK Boulevard, LP financing arrangement. The weighted average interest rates for the years ended December 31, 2006, 2005 and 2004, were 6.6%, 6.6% and 6.7%, respectively. Interest costs during the years ended December 31, 2006, 2005 and 2004 in the amount of \$30.8 million, \$17.7 million and \$13.2 million, respectively, were capitalized. Cash paid for interest for the years ended December 31, 2006, 2005 and 2004, was \$150.2 million, \$148.8 million and \$130.4 million, respectively.

During the year ended December 31, 2006, the Company satisfied a \$100 million 6.95% medium term note and issued a \$300 million 5.50% senior unsecured note due December 15, 2016. The Company used the net proceeds to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

During the year ended December 31, 2005, the Company issued a \$300 million 5.125% senior unsecured note due March 2, 2015. The Company used the net proceeds to pay down outstanding borrowings under the Company's unsecured credit facility and for general corporate purposes.

The Company is subject to financial covenants contained in some of the debt agreements, the most restrictive of which are detailed below under the heading "Credit Facility." As of December 31, 2006 the Company was in compliance with all financial covenants.

## Mortgage Loans, Unsecured Notes

Mongage loans with maturities ranging from 2007 to 2021 are collateralized by and in some instances cross-collateralized by properties with a net book value of \$330.0 million.

The interest rates on \$2,141.0 million of mortgage loans and unsecured notes are fixed and range from 4.6% to 8.8%. The weighted average remaining term for the mortgage loans and unsecured notes is 6.0 years.

### Credit Facility

## \$600 Million Unsecured Revolving Credit Facility

Juring the fourth quarter of 2005, the Company obtained a four-year, \$600 million unsecured revolving credit facility (the "\$600 million Credit Facility") replacing a \$450 million unsecured revolving credit facility due January 16, 2006. Based on the Company's present ratings, borrowings under the \$600 million Credit Facility are priced at LIBOR plus 65 basis points. The \$600 million Credit Facility contains a competitive bid option, whereby participating lenders bid on the interest rate to be charged. This feature is available for up to 50% of the amount of the facility. The interest rate on the 594.0 million of borrowings outstanding as of December 31, 2006 was 5.59%. The current ratings for the Company's senior unsecured debt are Baa2, BBB, and BBB+ from Moody's, S&P and Fitch, respectively. The \$600 million Credit Facility has an accordion feature for an additional \$200 million. There is also a 15 basis point annual facility fee on the current borrowing capacity. The \$600 million Credit Facility expires on January 16, 2010 and may be extended for a one-year period. The \$600 million Credit Facility contains financial covenants, certain of which are set forth below:

- total debt to total assets may not exceed 0.60:1;
- earnings before interest, taxes, depreciation and amortization to fixed charges may not be less than 1.50:1;
- unsecured debt to unencumbered asset value must equal or be less than 60%; and
- unencumbered net operating income to unsecured interest expense must equal or exceed 200%.

Liberty/Commerz 1701 JFK Boulevard, LP Financing Arrangement
The equity contribution from the Company's joint venture partner in the Liberty/Commerz 1701 JFK Boulevard, LP is treated as a financing arrangement — see Note 4. This equity contribution receives a return equal to the greater of 5% or the current rate on the \$600 million Credit Facility.

The scheduled principal amortization and maturities of the Company's mortgage loans, the unsecured notes outstanding, the \$600 million Credit Facility, the Liberty/Commerz 1701 JFK Boulevard, LP financing arrangement and the related weighted average interest rates are as follows (in thousands, except percentages):

, ·	MORTO PRINCIPAL AMORTIZATION	GAGES PRINCIPAL MATURITIES	UNSECURED NOTES	CREDIT FACILITY	TOTAL	WEIGITTED AVERAGE INTEREST RATE
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 & theresiter	\$ 8,820 7,975 5,699 4,877 4,153 3,274 2,751 2,894 3,033 2,220 1,768		\$ 100,000 270,000 200,000 250,000 235,000 200,000 300,000 300,000 100,000	\$ 152,960(1) 94,000	\$ 110,373 200,688 321,847 303,615 264,883 271,185 2,751 205,575 303,033 302,220 101,768	7.22% 6.15% 7.77% 7.51% 6.47% 6.00% 5.65% 5.13% 5.50% 7.47%
'	\$ 47,464	\$ 138,514	<u>\$</u> 1,955,000	\$ 246,960	<b>\$</b> 2,387,938	6.55%

<sup>(1)</sup> Liberty/Commerz 1701 JFK Boulevard, LP financing arrangement -- see above.

### 7. LEASING ACTIVITY

Future minimum rental payments due from tenants under noncancelable operating leases as of December 31, 2006 are as follows (in thousands):

2007	12 1 1	\$.	446,997
2008			399,549
2009			333,841
2010	•		269,376
2011	i i		203,081
Thereafter			468,809
TOTAL	2 N	s	2,121,653

In addition to minimum rental payments, most lenses require the tenants to pay for their pro rata share of specified operating expenses. These payments are included as operating expense reimbursement in the accompanying consolidated statements of operations.

## OWNERS' EQUITY

### Common Units

General and Limited partners' equity — common units relates to limited partnership interests of the Operating Partnership issued in connection with the formation of the Company and certain subsequent acquisitions. During 2006, 684,432 common units were issued in connection with an acquisition. No common units were issued in connection with acquisitions during 2005 or 2004. The common units outstanding as of December 31, 2006 have the same economic characteristics as common shares of the Trust. The 4,189,967 common units share proportionately in the net income or loss and in any distributions of the Operating Partnership and are exchangeable into the same number of common shares of the Trust.

#### Preferred Units

The Company has outstanding the following Cumulative Redeemable Preferred Units of the Operating Partnership, (the "Preferred Units"):

DATE OF ISSUE	ISSUE	AMOUNT	Units	LIQUIDATION PREFERENCE	DIVIDEND RATE	REDEEMABLE AS OF	EXCHANGEABLE AFTER
		(in	000's)				
7/28/99	Scries B	\$95,000	3,800	\$25	7 45%	8/31/09	1/1/14 into Series B Cumulative Redeemable Preferred Shares of the Trust
6/10/02	Series D	\$23,650	473	. \$50	7.625%	6/10/07	6/10/12 into Series D Cumulative Redeemable Preferred Shares of the Trust
6/16/05	Series E	\$20,000	400	\$50	7.00%	₹ <b>%6/16/10</b>	6/16/15 into Series E Cumulative Redocmable Preferred Shares of the Trust
6/30/05	Series F	\$44,000	880	\$50	6.65%	6/30/10	6/30/15 into Series F Cumulative Redecmable Preferred Shares of the Trust
8/23/05	Series F	\$ 6,000	120	\$50	6.65%	6/30/10	6/30/15 into Series F Cumulative Redeemable Preferred Shares of the Trust
12/15/06	Series G	\$27,000	540	\$50	6.70%	12/12/11	12/12/16 into Series G Cumulative Redeemable Preferred Shares of the Trust

Effective August 31, 2004, the distribution rate on the \$95 million Series B preferred units was reduced from 9.25% to 7.45%.

During the year ended December 31, 2005, the Company redeemed for \$20 million its outstanding 9.125% Series C Cumulative Redeemable Preferred Units.

The Company paid the following Preferred Unit distributions for the year ended December 31:

		<u>2</u> 006	2005_	2004
Distributions (in millions)		 \$13.7	\$12.1	\$11.8
Distribution per unit:				
Series B		\$1.86	\$1.86	\$2.16
Series C		_	\$1.05	\$2.28
Series D	 	 \$3.81	\$3.81	\$3.81
Series E	 • ••	 \$3.50	\$1.90	
Series F		 \$3,33	\$1.61	( ÷ )
Series G	 	 \$0.16	. ^	
Selles ()		30.10	_	_

#### Minority Interest

Minority interest includes third-party ownership interests in consolidated joint venture investments.

#### 9. COMMITMENTS AND CONTINGENCIES

Substantially all of the Properties and land were subject to Phase I Environmental Assessments and when appropriate Phase II Environmental Assessments (collectively, the "Environmental Assessments") obtained in contemplation of their acquisition by the Company. The Environmental Assessments consisted of, among other activities, a visual inspection of each Property and its neighborhood and a check of pertinent public records. The Environmental Assessments did not reveal, nor is the Company aware of, any non-compliance with environmental laws, environmental liability or other environmental claim that the Company believes would likely have a material adverse effect on the Company.

Although the Company is engaged in litigation incidental to its business, there is no legal proceeding to which it is a party which, in the opinion of management, will materially adversely affect the results of the Company's operations.

The Company is obligated to make additional capital contributions to unconsolidated joint ventures of \$1.0 million.

The Company has letter of credit obligations of \$1.6 million related to development requirements.

The Company maintains cash and cash equivalents at financial institutions. The combined account balances at each institution typically exceed FDIC insurance coverage and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company believes the risk is not significant.

### 10. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

A summary of quarterly results of operations for the years ended December 31, 2006 and 2005 follows. Certain amounts have been reclassified to conform to the current presentation of discontinued operations (in thousands, except per share amounts).

						QUAR	TER E	NDED					
	DEC. 31, 2006	-,	SEPT. 30, 2006	JUNE 30, 2006	_	MAR. 31, 2006		DEC. 31, 2005		PT. 30, 2005	_	JUNE 30, 2005	MAR. 31, 2005
Operating revenue	 Si. 164,361		S. 155,742	S 152,589	<u>s</u>	149,052	٠.	\$ 149,704	\$	147,705	<u>s</u>	152,520	\$ [41;774
Income from continuing operations	38,883		37,722	54,077	_	33,705		107,705		34,207	_	36,707	37,384
Discontinued operations	 <u> </u>		14,752	20,986	_	63,704		7,287	· <u> </u>	23,099	_	12,822	12,748
Income available to common unitholders	63,616		49,073	71,662	-	94,008		111,589		53,953	_	46,366	47,456
Income per common unit basic (1)	S!! 0.67		\$ 0,52	\$ 0.77	<u>s</u>	1.02	•	S 1.22	<u>s</u>	0.59	<u>s</u>	0.51	\$ 0.53
Income per common unit — diluted (1)	S 0.67		\$ 0.52	s 0.76	2	1.01		<u>\$ 120</u>	<u>s</u>	0.58	<u>s</u>	0.51	<u>\$ 0.52</u>

(1) The sum of quarterly financial data may vary from the annual data due to rounding.

#### 11. SEGMENT INFORMATION

The Company operates its portfolio of properties primarily throughout the Mid-Atlantic, Southeastern and Midwestern United States. Additionally, the Company owns certain assets in the United Kingdom. The Company reviews the performance of the portfolio on a geographical basis. As such, the following regions are considered the Company's reportable segments:

REPORTABLE SEGMENTS	MARKETS
Delaware Valley	Southeastern Pennsylvania; New Jersey
Midwest	Lehigh Valley, Pennsylvania; Michigan; Minnesota; Milwaukee; Chicago
Mid-Atlantic	Maryland; Piedmont Triad, NC; Greenville, SC; Richmond; Virginia Beach
Florida	Jacksonville; Orlando; Boca Raton; Tampa; Texas
United Kingdom	County of Kent

The Company's reportable segments are distinct business units which are each managed separately in order to concentrate market knowledge within a geographic area. Within these reportable segments, the Company derives its revenues from its two product types: industrial properties and office properties.

The Company evaluates performance of the reportable segments based on property level operating income, which is calculated as rental revenue and operating expense reimbursement less rental property expenses and real estate taxes. The accounting policies of the reportable segments are the same as those for the Company on a consolidated basis. The operating information by segment is as follows, with restated amounts that reflect discontinued operations as of September 30, 2007 (in thousands):

# YFAR ENDED DECEMBER 31, 2006

		DELAWARE VALLEY				MIDWEST											
		SOUTHEASTERN Pennsylvania		OTHER	_	LEHIGH VALLEY		OTHER		Mid-Atlantic	_1	LORIDA		NITED ngdom	_	TOTAL,	
Operating revenue Rental property expenses and real estate taxes		\$	die :	\$ 38,730 12,718	· s	85,180 18,747		79,472 28,618		\$ 120,168 36,440	S :	111,551 36,952	<b>S</b> -AZ	1,170 260	.∷s —	621,744 191,463	
Property level operating income	. 325°	<u>\$</u> 127,745	Z.	\$ 26,012	<u>s</u>	66,433	*** <u>\$</u>	50,854		<b>S</b> 83,728	<u>s</u>	74,599	· · <u>s · ·</u>	910		430,281	
Interest and other income Interest expense	1	530.1		•		æ				43	production		1	832		9,032 (112,153)	
General and administrative Depreciation and amortization					* ^.	÷ .							3.7			(46,180) (135,372)	
Income before property dispositions, income ta and equity in earnings of unconsolidated joint															_	145 609	
Gain on property dispositions Income taxes Minority interest	. ventures											•				145,608 17,628 (288)	
Equity in carnings of unconsolidated joint venu Discontinued operations Preferred unit distributions	ures					٠.						,				1,432 127,663 (13,691)	
Income available to common unitholders						3 4	5.4								<u>s</u>	278,359	
YEAR ENDED DECEMBER 31, 2005																	
			VARE VA	LLEY	_		IDWEST										
		SOUTHEASTERN PENNSYLVANIA		OTHER		LEINGH VALLEY		OTHER		Mid- ATLANTIC	_ F	LORIDA		NITED NGDOM		TOTAL	
Operating revenue Rental property expenses	25	\$ 185,088	. '	<b>S</b> 37,521	, , <b>s</b>	77,219	. s	73,851		S 102,928	\$ .	94,767	s	20,329	, \$	591,703	
and real estate taxes		54,927		13,139		19,661		26,315		30,491		30,996		3,678		179,207	
Property level operating income	ne consider	· <b>S</b> 130,161	٠. ـ	\$ 24,382	2	57,558	<u>s</u>	47,536		\$ `72,437	·· <u>s</u>	63,771	√ <i>§ 5 !</i>	16,651		412,496	
Interest and other income Interest expense General and administrative		•				1.1						•				7.182 (111,773)	
Depreciation and amortization		•				ь 🚖 🗼	٠.				٠.				_	(38,123) (126,808)	
Income before property dispositions, income ta and equity in carnings of unconsolidated joint Gain on property dispositions																142,974 85,673	
Income taxes Minority interest																(14,827) (357)	
Equity in earnings of unconsolidated joint venti Discontinued operations	ures															2,540 55,956	
Preferred unit distributions  Excess of preferred unit redemption over carryi  Income available to common unitholders	ing amoun	it				; :						: .			_	(12,095) (500)	
meome available to common unitholders															5	259,364	

## YEAR ENDED DECEMBER 31, 2004

			ARE VALL	EY		MiDW	EST									
		EASTERN YLVANIA	_	OTHER		LLEY		OTHER		ANTIC_	F	LORIDA		UNITED KINGDOM		TOTAL.
Operating revenue Rental property expenses and real estate taxes	s,	175,786 51,219	. \$	32,680 11,048	\$	66,731 17,087	S	67,572 24,271	S	96,206 25,758	S	84,809 26,366	:	\$ 19,732 3,166	2	543,516 158,915
Property level operating income	s i.	124,567		21,632	5	49,644	s	43,301	s	70,448	s	58,443	:	16,566	_	384,601
Interest and other income Interest expense General and administrative Depreciation and amortization	. 4		1), 1) 1, 1)	lan arst	1.1%5.4.7 				e e e e e e e e e		1.12	1.43	il Kos <sup>a</sup>			5,527 (99,197) (33,688) (111,272)
Equity in loss of unconsolidated joint ventures Discontinued operations Preferred share distributions					TWEET A	11994 (1 1774 (1				***	3 K		-			145,971 496 (1,820) 632 (775) 35,738 (11,844)
Income available to common untholders	~ ()		ď			•			•			' '			<u>s</u> _	168,398
PRODUCT TYPE INFORMATION				_										ELATED REVENU	JES	
•					_						006	VEAR		DECEMBER 31,		2004
Industrial Office	1 μ									s	260,200 361,544		s	247,619 344,084	2	225,104 318,412
Total operating revenue	· .		100							<u>s</u>	621,744	-	2	591,703	<u></u>	543,516
ROLLFORWARD OF OPERATING REAL ESTATE A	SSETS	BY REPO	RTABLE S	EGMENT												
		DELAW	ARE VALL	EY		Minw	EST									
		EASTERN YLVANIA		OTHER		HIGH LLEY_		OTHER		fid- Antic	F	LORIDA		UNITED KINGDOM		TOTAL
January 1, 2006 Additions Dispositions	<b>S</b>	1,060,198 74,852 (55,255)		183,020 36,807 (4,422)	<b>S</b>	637,301 15,006 (69,832)	s * ·	36,908		902,819 102,579 (116,680)		2646,681 275,474	. :	9,838 1,597		4,196,601 543,223 (337,653)
December 31, 2006	<u></u>	1,079,795	S	215,405	S	582,475	\$	702,188	\$	888,718	5	922,155		11,435		4,402,171
Accumulated depreciation Development in progress Land held for development Assets held for sale Other assets Total assets at December 31, 2006	1 J 1 1	-	t							· .			-		<u>\$</u>	(786,778) 538,521 195,332 113,150 448,515

#### ROLLFORWARD OF OPERATING REAL ESTATE ASSETS BY REPORTABLE SEGMENT

•	DELAWARE \	ALI.EY	MIDWEST					
	SOUTHEASTERN PENNSYLVANIA	OTHER	LEHIGH VALLEY	OTHER	MID- ATLANTIC	FLORIDA	UNITED KINGDOM	TOTAL
January 1, 2005 Additions Dispositions	\$ 1,020,714 44,071 (4,587)	\$ 190,116 14,857 (21,953)	\$ 558,590 \$ 84,698 (5,987)	672,035 111,551 (26,842)	\$ 818,341 114,893 (30,415)	\$ 651,123 37,772 (42,214)	\$ 169,304 10,832 (170,298)	\$ 4,080,223 418,674 (302,296)
December 31, 2006	1,060,198	S 183,020	s 637,301	756,744	\$ 902,819	\$ 646,681	\$ 9,838	4,196,601
Accumulated depreciation Development in progress	j je sa		**************************************	RM.	er und a	. W		(715,983) 324,924
Land held for development Assets held for sate		3.54	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				erganis and the second	158,653
Other assets		10 m 2 m		:		1.0	a titili e	146,056 390,071
Total assets at December 31, 2005								\$ 4,500,322

### 12. SFAS NO. 144 "ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS"

#### Discontinued Operations

In accordance with SFAS No. 144, the operating results and gain/(loss) on disposition of real estate for properties sold and held for sale as of September 30, 2007, are reflected in the consolidated statements of operations as discontinued operations. Prior year financial statements have been adjusted for discontinued operations. The proceeds from dispositions of operating properties with no continuing involvement were \$395.9 million and \$200.9 million for the years ended December 31, 2006 and 2005, respectively.

Below is a summary of the results of operations of the properties disposed of and held for sale through September 30, 2007 (in thousands):

		YEAR ENDED DECEM	BER 31,
	2006	2005	2004
Revenues Operating expenses Interest expense Depreciation and amortization	(27	329 \$ 102,819 621) (36,333) 093) (23,655) 572) (23,412)	(25,300)
Income before property dispositions and minority interest	\$15	043 \$ 19,419	\$ 24,135

The held for sale properties consist of 28 properties totaling 1,277,000 square feet in the Company's Midwest segment and three properties totaling 308,000 square feet in the Company's Mid-Atlantic segment. The properties held for sale as of December 31, 2006 were sold between January and December 2007.

Interest expense is allocated to discontinued operations as permitted under EITF Issue 87-24, "Allocation of Interest to Discontinued Operations," and such interest expense has been included in computing income from discontinued operations. The allocation of interest expense to discontinued operations was based on the ratio of net assets sold (without continuing involvement) or held for sale to the sum of total net assets plus consolidated debt.

#### Asset Impairment

In accordance with SFAS No. 144, during the years ended December 31, 2006 and 2005, the Company recognized impairment losses of \$4.2 million and \$5.3 million, respectively. The 2006 impairment loss of \$4.2 million was primarily related to a 352,000 square foot portfolio of operating properties in the Midwest — Other segment. The 2005 impairment loss of \$5.3 million was primarily related to a portfolio of operating properties equaling 615,000 square feet in the Midwest — Other segment. For the years ended December 31, 2006 and 2005, \$4.2 million and \$5.3 million related to properties old or held for sale were included in the caption discontinued operations in the Company's statement of operations. For the years ended December 31, 2005 and 2004, respectively, \$1.6 million and \$1.4 million in impairments were included in the caption gain on property dispositions as a component of income from continuing operations. The Company determined these impairments through a comparison of the aggregate future cash flows (including quoted offer prices) to be generated by the properties to the carrying value of the properties. The Company has evaluated each of the properties and land held for development and has determined that there are no additional valuation adjustments necessary at December 31, 2006.

			Initi	al Cost	Costs Capitalized	Gross Am	ount Carried at End o	f Period		Date of	Danier I.M.
Project	Location	1 Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES 1501 Perryman Road	Aberdeen, MD	s'. —	\$5,813,324	\$18,874,059	\$ 3,274,480	\$ 5,816,83	9 \$22,145,024	\$27,961,863	\$ 7,560	2005	40 yrs.
2196 Avenue C	Allentown, PA		101,159	310,074,037	1,347,970	107,30		1,449,129	750,775	1980	40 yrs.
2202 Hanger Place	. Allentown, PA		137,439	_	1,341,155	138,12		1,478,594	826,310	1981	40 yrs.
7437 Industrial Boulevard	Allentown, PA	···	717,488	5,022,413	2,425,462	726,65		8,165,362	2,459,321	1976	40 yrs.
7339 Industrial Boulevard	Allentown; PA		1,187,776		6,324,599	1,197,44		7,512,376	1,930,459	1996	40 yrs.
400 Nestle Way	Allentown, PA	22,630,797	8,065,500		27,253,022	8,184,09		35,318,522	7,218,734	1997	40 yrs.
	Allentown, PA	. W	2,670,849	13,307,408	1,101,923	2,670,67		17,080,179	3,732,710	1988	40 yrs.
700 Nestle Way	Allentown, PA		3,473,120	844,069	18,116,440 184,443	4,174,97 269,61		21,589,560 1,298,126	4,014,467 259,319	1998	40 yrs.
7562 Penn Drive 7277 Williams Avenue	Allentown, PA	× #	269,614 462,964	1,449,009	322,599	463,12		2,234,572	538,729	1989	40 yrs. 40 yrs.
7355 Williams Avenue	Allentown, PA	:	489,749		304,958	489,74		2,452,798	465,129	1998	40 yrs.
794 Roble Road	Allentown, PA		1,147,541	6,088,041	1,125,815	1,147,54		8,361,398	1,802,850	1985	40 yrs.
6923 Schantz Spring Road	Allentown, PA	∰	1,127,805	3,309,132	348,419	1,127,80		4,785,355	839,583	1993	40 yrs.
7132 Daniels Drive	Allentown, PA		1,623,326	3,464,626	4,174,016	1,695,61		9,261,967	1,576,367	1988	40 yrs.
8014 Industrial Boulevard	Allentown, PA		4,019,258	— <u>"</u>	9,446,162	3,645,11		13,465,420	2,218,246	1999	40 yrs.
705 Boulder Drive	Allentown, PA		4,484,096	_	14,878,034	4,486,83		19,362,130	2.387,484	2001	40 yrs.
651 Boulder Drive	Allentown, PA	Ψ' •	4,308,646	_	13,284,432 8,906,845	4,308,64 2,571,46		17,593,078 11,471,013	2,467,753 1,421,039	2000 2002	40 yrs.
8150 Industrial Boulevard 8250 Industrial Boulevard	Allentown, PA Allentown, PA		2,564,167 1,025,667	_	5,346,179	1,035,85		6,371,846	633,244	2002	40 yrs. 40 yrs.
650 Boulder Drive	Allentown, PA	in	5,208,248	_	31,404,856	9,961,78		36,613,104	2,728,758	2002	40 yrs.
7165 Ambassador Drive	Allentown, PA		792,999		4,533,868	804,84		5,326,867	586,086	2002	40 yrs.
200 Boulder Drive	Allentown, PA		4,722,683	18,922,645	240,929	4,722,68		23,886,258	1,081,207	2004	40 yrs.
250 Boulder Drive	Allentown, PA	1 -	3,623,328	12,099,145	1,144,216	3,719,77		16,866,689	690,330	2004	40 yrs.
6560 Stonegate Drive	Allentown, PA	36 5	458,281	—	2,839,996	458,94		3,298,277	1,116,992	1989	40 yrs.
6370 Hedgewood Drive 6390 Hedgewood Drive	Allentown, PA	3i	540,795 707,203		3,608,143 2,765,090	541,45 707,86		4,148,938 3,472,293	1,356,701 、 1,317,332	1990 1990	40 yrs. 40 yrs.
6350 Hedgewood Drive	Allentown, PA	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	% =: 360,027	## ### <b>.</b>	3,470,090	560,69		3,830,117	1,390,438	1989	40 yrs.
6330 Hedgewood Drive	Allentown, PA	···/	531,268		4,910,864	532,04		5,442,132	2,333,532	1988	40 yrs.
6580 Snowdrift Road	Allentown, PA		388,328		3,284,907	389,08		3,673,235	1,459,264	1988:-	40 yrs.
6540 Stonegate Drive	Allentown, PA		422,042	_	3,893,307	422,73		4,315,349	1,829,429	1988	40 yrs.
	Allentown, PA	177 -	143,500	· – .	2,469,917	144,24		2,613,417		1987	40 yrs.
964 Marcon Boulevard 764 Roble Road	Allentown, PA Allentown, PA	W = 1	138,816	<del></del>	1,983,002 864,405	139,48 141,74		2,121,818 **1,005,474	913,043 446,399	1985 1985	40 yrs. 40 yrs.
3174 Airport Road	Allentown, PA		98,986	· · =-	1,157,004	98,98		1,255,990	727,271	1979	40 yrs.
2201 Hanger Place		: T	128,454		1,906,472	129,14		2,034,926	1,121,868	1987	* 40 yrs.
954 Marcon Boulevard	Allentown, PA		103,665	. —	1,110,937	104,45	3 1,110,149	1,214,602	586,982	1981	40 yrs.
754 Roble Road	Allentown, PA	<i>f</i> –	162,115	1,731,885	279,310	163,73		2,173,310	677,125	1986	
744 Roble Road	Allentown, PA	_	159,771	1,734,229	266,454	161,37		2,160,454	663,735	1986	40 yrs.
944 Marcon Boulevard 6520 Stonegate Drive	Allentown, PA Allentown, PA	i . —	118,521 453,315	1,435,479	464,628 1,787,903	. 119,71 484,36		2,018,628 2,241,218	633,568 593,896	1986 1996	40 yrs. 40 yrs.
2041 Avenue C	Allentown, PA	. 1	213,599	1.095,217	83,135	213.87		1,391,951	353,869	1990	40 yrs.
7144 Daniels Drive	Allentown, PA		2,390,217	2,342,761	3,721,684	1,579,16		8,454,662	1,849,083	1975	40 yrs.
7620 Cetronia Road	Allentown, PA	1 –	1,091,806	3,851,456	356,371	1,093,72		5,299,633	1,364,080	1990	. 40 yrs.
180,190 Cochrane Drive	Annapolis, MD		3,670,256		22,322,825	3,752,29		25,993,081	8,676,942	1988	40 yrs.
4606 Richlynn Drive	Belcamp, MD	· . —	299,600	1,818,861	712,787	299,60		2,831,249	470,711	1985	40 yrs.
41199 Van Born Road 41133 Van Born Road	Bellville, MI Bellville, MI	. j j	1,829,396	6,765,015	509,937 463,975	1,829,39 1,829,56		9,104,347 8,748,290	5,269 5,877	2005 2005	40 yrs.
1655 Valley Center Parkway	Bethlehem, PA	· · · · ·	1,829,560 214,431	6,454,755	2,019,753	215,09		2,234,184	935,846	1993	40 yrs. 40 yrs.
1455 Valley Center Parkway	Bethlehem, PA	. <b>1</b>	670,290		3,743,118	545,17		4,413,408	1,742,880	1997	40 yrs.
1640 Valley Center Parkway	Bethlehem, PA		359,000	. —	2,538,675	190,72		2,897,675	1,142,900	1996	40 yrs.
1650 Valley Center Parkway	Bethlehem, PA	. 📗	359,000		2,215,932	188,89		2,574,932	942,344	1997	40 yrs.
1660 Valley Center Parkway	Bethlehem, PA	: ai -	359,000		2,278,206	188,72		2,637,206	737,276	1998	40 yrs.
83 South Commerce Way 85 South Commerce Way	Bethlehem, PA	81 - e —	143,661	888,128	520,095 169,265	212,74 237,07		1,551,884	\$21,859	1989 1989	40 yrs.
87 South Commerce Way	Bethlehem, PA Bethlehem, PA	11	236,708 253,886	987,949 1,062,881	223,146	253,88		1,393,922 1,539,913	312,464 383,776	1989	40 yrs. 40 yrs.
89 South Commerce Way	Bethlehem, PA	a,	320,000	1,002,001	2,011,186	367,70		2,331,186	701,530	1998	40 yrs.
1525 Valley Center Parkway	Bethlehem, PA	1	475,686	_	7,721,312	804,10	7,392,894	8,196,998	1,900,307	1999	40 yrs.
74 West Broad Street	Bethlehem, PA	–	1,096,127	Ξ	13,371,415	1,099,07	9 13,368,463	14,467,542	2,582,086	2002	40 yrs.
1605 Valley Center Parkway	Bethlehem, PA	-	729,751	_	11,065,717	1,766,19		11,795,468	1,779,914	2000	40 yrs.
3400 High Point Boulevard	Bethlehem, PA	-	298,227	-	3,053,506	662,80		3,351,733	367,073	2002	40 yrs.
1495 Valley Center Parkway	Bethlehem, PA	4 - 1 - 1 p -	434,640		4,695,697 3,827,587	435,30		5,130,337	1,544,454 1,470,951	1990 1988	40 yrs.
1550 Valley Center Parkway 1560 Valley Center Parkway	Bethlehem, PA	ili an 🚊	196,954 240,069	_	.4,638,646,63	197,70 240,73		4,024,541 4,878,715	2,078,924	1988	40 yrs. 40 yrs.
raney come. rankway.	171	* —	7.72-10,007	. —	. 1,000,000		1,057,1705	,,0,0,,15	2,070,724	1,700	10 /13.

			Initio	al Cost	Costs Capitalized Subsequent	Gross Amou	unt Carried at End of Per	lod	Accumulated	Date of Construction	Depreciable
Project	Location	Encumbrances	Land	Building	to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Depreciation 12/31/06	or Acquisition	life (years)
OPERATING PROPERTIES 1510 Valley Center Parkway	Bethlehem, PA		312,209		3,762,171	312,873	3,761,507	4,074,380	1,704,910	1988	40 yrs.
1530 Valley Center Parkway	Bethlehem, PA		211.747	*****	3,008,631	212,492	3,007,886	3,220,378	1,256,732	1988	40 yrs.
57 South Commerce Way	Bethlehem, PA	i dibaix	390,839	2,701,161	764,168	395,459	3,460,709	3,856,168	1,189,140	1986	40 yrs.
1685 Valley Center Parkway	Bethlehem, PA		244,029		2,283,047	198.482	2,328,594	2,527,076	838,903	1996	40 yrs.
6601-6625 W. 78th Street	Bloomington, MN		2,263,060		38,629,236	2,310,246	38,582,050	40,892,296	7,893,682	1998	40 yrs.
4801 West 81st Street	🌣 Bloomington, MN 🔆	·	1,624,701	2,494,368	809,469	1,624,701	3,303,836	4,928,537	864,938	1984	40 yrs.
8100 Cedar Avenue	Bloomington, MN	<del></del> .	501,313	3,675,416	971,824	501,313	4,647,240	5,148,553	1,214,704	1983	40 yrs.
6161 Green Valley Drive	Bloomington, MN		740,378	3,311,602	- 732,919	741,194	4,043,704	4,784,898	745,201	1992	40 yrs.
10801 Nesbitt Avenue South	Bloomington, MN	. —	784,577		4,105,182	786,382	4,103,377	4,889,759	944,251	2001	40 yrs.
5775 West Old Shakopee Road	Bloomington, MN	. —	2,052,018	3,849,649	3,311,678	2,060,644	7,152,700.	9,213,345	2,366,472	2002	40 yτs.
5715 Old Shakopee Road West 5735 Old Shakopee Road West	Bloomington, MN Bloomington, MN	_	1,263,226	2,360,782 2,360,782	1,954,672 1,089,640	1,264,758 1,264,758	4,313,922 3,448,890	5,578,680 4,713,648	810,571 447,722	2002 2002	40 yrs.
1701 Clint Moore Boulevard	Boca Raton, FL	_	1,430,884	3,043,553	1,302,089	1,430,937	4,345,589	5,776,526	839,133	1985	40 yrs. 40 yrs.
951 Broken Sound Parkway	Boca Raton, FL		1,426,251	6,098,952	1,234,056	1,426,251	7,333,008	8,759,259	2,037,449	1986	40 yrs.
777 Yamato Road	Boca Raton, FL	_	4,101,247	16,077,347	4,498,115	4,501,247	20,175,462	24,676,709	5,014,867	1987	40 yrs.
1801 Clint Moore Road	Boca Raton, FL	_	1,065,068	4,481,644	640,426	1,065,068	5,122,070	6,187,139	1,249,779	1986	40 yrs.
400 Boulder Drive	Breinigsville, PA	•	_	_	13,376,989	2,865,575	10,511,414	13,376,989	629,760	2003	40 yrs.
860 Nestle Way	Breinigsville, PA	_	8,118,881	18,885,486	1,403,042	8,118,881	20,288,528	28,407,408	671,096	2004	40 yrs.
602 Heron Drive	Bridgeport, NJ	<del></del>	524,728	2,240,478	7,650	524,728	2,248,128	2,772,856	491,389	1996	40 yrs.
245 Executive Drive 16620-16650 W Bluemound Road	Brookfield, WI Brookfield, WI		577,067	5,197,903	3,816,157 828,882	577,067	9,014,060	9,591,127			40 yrs.
15800 West Bluemound Road	Brookfield, WI	· ; ; · · · · · <del>, · ·</del> ·	586,665 1,289,204	4,289,907 8,128,035	948,664	586,665 1,306,811	5,118,789 9,059,092	5,705,454 10,365,903	984,048 1,391,720	1999 1994	40 yrs. 40 yrs.
20700 Swenson Drive	Brookfield W/I	12,858,381	830,008	12.276.445	478,954	830,999	12,754,408	13,585,406	429,906	2005	40 yrs.
20800 Swenson Drive	Brookfield, WI	12,838,381	1,023,466	10,729,219	418,157	1,025,082	11,145,759	12,170,841	474,180	2005	40 yrs.
20935 Swenson Drive	Brookneid, WI	3,293,966	571,389	10,238,547	658,028	572,158	10,895,806	11,467,963	391,207	2005	40 yrs.
20975 Swenson Drive	Brookfield, WI	7,584,291	675,422	8,910,651	602,016	678,637	9,509,452	10,188,089	398,554	2005	40 yrs.
20825 Swenson Drive	Brookfield, WI	·	644,563	3,640,734	64,858	646,518	3,703,639	4,350,156	111,258	2006	40 yrs.
1485 W. Commerce Avenue	Carlisle, PA		4,249,868	13,886,039			14,056,308		699,441	~~`2004	40 yrs.
3773 Corporate Parkway	Center Valley, PA	Age of the second	738,108	~~:. <u>=</u>	7,605,349	794,874	7,548,583	8,343,457	1,666,953	2001	40 yrs.
1309 Executive Boulevard 7 Carnegie Pluza	Cheaspeake, VA Cherry Hill, NJ	T	926,125	-	5,086,632	955,374	5,057,383	6,012,757	733,464	2001	40 yrs.
1305 Executive Boulevard	Cherry Hill, NJ Chesapeake, VA	•	2,000,000 861,020	3,493,983	3,217,287 4,878,062	2,005,475 1,129,850	6,705,794 4,609,232	8,711,270 5,739,082	543,140 691,749	2004 2002	40 yrs. 40 yrs.
1313 Executive Boulevard	Chesapeake, VA	_	1,180,036	_	4,629,615	1,708,050	4,101,602	5.809.652	554.643	2002	40 yrs.
500 Independence Parkway	Chesapeake, VA	3,588,914	864,150	4,427,285	66,501	866,609	4,491,328	5,357,937	352,536	2004	40 yrs.
700 Independence Parkway	Chesapeake, VA	6,903,981	1,950,375	8,273,910	(614,501)	1,951,135	7,658,648	9,609,783	650,222	2004	40 yrs.
501 Independence Parkway	Chesapeake, VA	4,967,909	1,202,556	5,975,538	1,185,556	1,292,273	7,071,376	8,363,650	336,396	2005	40 yrs.
505 Independence Parkway	Chesapeake, VA	5,793,893	1,292,062	6,456,515	1,141,115	1,292,254	7,597,437	8,889,691	380,615	2005	40 yrs.
510 Independence Parkway	Chesapeake, VA	_	2,012,149	7,546,882	394,344	2,014,689	7,938,686	9,953,375	422,930	2005	40 yrs.
1301 Executive Boulevard	Chesapeake, VA	. –	2 004 075	-	6,113,029	997,570	5,115,459	6,113,029	108,314	2005	40 yrs.
6230 Old Dobbin Lane 9101.9111.9115 Guilford Road	Colombia, MD Columbia, MD		3,004,075 758,951	.—	7,729,322 3,519,455	2,746,455 765,952	7,986,942 3,512,453	10,733,397 4,278,406	1,941,815	2004 1984	40 yrs. 40 yrs.
9125,9135,9145 Guilford Road	Columbia, MD	, <u>,                                  </u>	900(154)	: =	5,815,495	920,439	5 705 710	6.715.649	3,426,185	1983	40 yrs.
7178-80 Columbia Gateway	Columbia, MD		1,569,237	4,786,887	1,836,281	1,571,105	5,795,210	8,192,405	2,215,458	1987	40 yrs.
9770 Patuxent Woods Drive	Columbia, MD	. 150 s. <del>-</del> .	341,663	3,033,309	007 405 "	341,663	3,940,714	4,282,377	791,142	1986	40 yrs.
9780 Patuxent Woods Drive	Columbia, MD		218,542	1,940,636	125,207	218,542	2,065,843	2,284,384	504,644	1986	40 yrs.
9790 Patuxent Woods Drive	Columbia, MD	<del></del>	243,791	2,164,094	223,402	243,791	2,387,496	2,631,287	669,572	` 1986	40 yrs.
9810 Patuxent Woods Drive	Columbia, MD		266,684	2,366,901	644,582	266,684	3,011,483	3,278,167	794,236	1986	40 yrs.
9800 Patuxent Woods Drive 9820 Patuxent Woods Drive	Columbia, MD Columbia, MD		299,099 237,779	2,654,069 2,110,835	531,960 711,722	299,099 237,779	3,186,029 2,822,557	3,485,129 3,060,336	815,523 569,893	1988 1988	40 yrs. 40 yrs.
9830 Patuxent Woods Drive	Columbia, MD	· · =	296,262	2,628,933	143,928	296,262	2,772,861	3,069,124	717,517	1986	40 yrs.
9050 Red Branch Road	Columbia, MD		290,950	2,577,153	802,675	290,950	3,379,828	3,670,778	720,137	1972	40 yrs.
8945-8975 Guilford Road	Columbia, MD	•	2,428,795	7,493,740	873,148	2,427,065	8,368,619	10,795,684	1,959,626	1986	40 yrs.
6250 Old Dobbin Lane	Columbia, MD	_	958,105		3,590,872	1,295,000	3,253,978	4,548,978	602,208	2002	40 yrs.
6200 Old Dobbin Lane	Columbia, MD		958,105	_	3,736,325	1,295,000	3,399,431	4,694,431	532,591	2002	40 yrs.
6210 Old Dobbin Lane	Columbia, MD	_	958,105	_	3,724,707	1,307,300	3,375,513	4,682,813	622,557	2002	40 yrs.
6250 Old Dobbin Lane	Columbia, MD	_	958,105		3,780,749	1,599,259	3,139,595	4,738,854	349,799	2000	40 yrs.
5950 Symphony Woods Road 9755 Patuxent Woods Drive	Columbia, MD	_	1,462,762	11,310,187	1,368,440	1,467,623	12,673,767	14,141,389	1,845,734	1986 2006	40 yrs.
5150 International Drive	Columbia, MD Cudahy, WI	· <u> </u>	3,917,094 739,673	16,219,721 5,108,025	110,510 250,327	3,922,382 741,858	16,324,943 5,356,167	20,247,324 6,098,024	420,347	2006	40 yrs. 40 yrs.
1250 Hall Court	Deer Park, TX	3,063,690	829,570	4,778,327	230,327	829,570	4,778,327	5,607,897	8,813	2003	40 yrs.
170 Parkway West	Duncan, SC	-	598,348	3,643,756	68,364	598,918	3,711,550	4,310,468	86,944	2006	40 yrs.
•	•				• "				•	-	• •

		Initial	Cost	Costs Capitalized	Gross Amoun	t Carried at End of Perl	od		Date of	
Project Location Es	rcumbrances	Land	Building	Subsequent to Acquisition	Land and	Building and	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES										
190 Parkway West Duncan, SC	: -3 <u>2 -</u>	551,663	3,463,858	34,737	552,211	3,498,047	4,050,258	95,141	2006	40 yrs.
265 Parkway East Duncan, SC	_	901,444	5,751,389	18,391	902,374	5.768,850	6,671,224	174,266	2006	40 yrs.
203 I al Kway East Edition, Self	e —	975,433	6,149,465	23,682	976,393	6,172,187	7,148,580	313,732	2006	40 yrs.
3255 Neil Armstrong Boulevard Eagan, MN		1,131,017		3,393,423	1,131,017	3,393,423	4,524,441	677,048	1998	40 yrs.
6321-6325 Bury Drive Eden Prairie, MN 7660-7716 Golden Triangle Drive Eden Prairie, MN	· - ·	462,876	4,151,790	317,011 2,817,841	462,876 1,289,215	4,468,801 × 7,212,509	4,931,677 8,501,724	1,213,996 2,440,957	1988 1988	2.40 yrs. 3 40 yrs.
7660-7716 Golden Triangle Drive Eden Prairie, MN 7400 Flying Cloud Drive Eden Prairie, MN	. ==.	568,706 195,982	5,115,177 1,762,027	157,281	195,982	1,919,309	2,115,290	441,713	1987	40 yrs.
10301-10305 West 70th Street Eden Prairie, MN	·	120,622	1,085,226	121,763	118,300	1,209,311	1,327,611	304.525	1984	40 yrs.
10321 West 70th Street Eden Prairie, MN	r <u> </u>	145,198	1,305,700	369,479	142,399	1,677,978	1,820,377	479,554	1984	40 yrs.
10333 West 70th Street Eden Prairie, MN		110,746	995,868	90,782	108,610	1,088,786	1,197,396	257,962	1984	40 yrs.
10349-10357 West 70th Street Eden Prairie, MN	<b>—</b> .	275,903	2,481,666	584,392	270,584	3,071,377	3,341,961	737,188	1985	40 yrs.
10365-10375 West 70th Street Eden Prairie, MN	. —	291,077	2,618,194	506,997	285,464	3,130,804	3,416,267	756,087	1985	. 40 yrs.
10393-10394 West 70th Street Eden Prairie, MN	· —,	269,618	2,423,318	775,855	264,419	3,204,372	3,468,791	761,414	1985	40 yrs.
7078 Shady Oak Road Eden Prairie, MN	, <del></del>	343,093	3,085,795	217,201	336,481	3,309,608	3,646,089	790,055	1985	40 yrs.
10400 Viking Drive Eden Prairie, MN	3 4.	2,912,391	·	22,843,159	2,938,372	22,817,178	25,755,550	5,724,688	1999	40 yrs.
7695-7699 Anagram Drive Eden Prairie, MN	_	760,525	3,254,758	605,146	760,525	3,859,903	4,620,429	843,591 841,929	1997 1993	40 yrs.
7800 Equitable Drive Eden Prairie, MN 7905 Fuller Road Eden Prairie, MN		2,188,525	3,788,762	179,519 33,365	2,188,525 1,230,965	3,968,281	6,156,806 5,338,395	833,068	1993	40 yrs. 40 yrs.
7905 Fuller Road Eden Prairie, MN 9023 Columbine Road Eden Prairie, MN	,, =	1,229,862 1,956,273	4,075,167	4,873,578	1,956,273	4,107,430 4,873,578	6,829,851	1,058,231	1994	40 yrs.
8967 Columbine Road Eden Prairie, MN	r _	1,450,000	_	3,575,107	1,450,000	3,575,107	5,025,107	717,864	2000	40 yrs.
7777 Golden Triangle Drive Eden Prairie, MN	_	993,101	2,136,862	1,191,303	993,101	3,328,165	4,321,266	542,633	2000	40 yrs.
8937 Columbine Road Eden Prairie, MN	<del>.</del>	1,325,829		4,287,274	1,739,966	3,873,137	5,613,103	676,755	2001	40 yrs.
7615 Smetana Lane Eden Prairie," MN	:	1,011,517	. — .	8,665,025	3,000,555	6,675,988	9,676,542	1,378,155	2001	40 yrs.
8995 Columbine Road Eden Prairie, MN		1,087,594	· — ·	3,664,053	2,055,296	2,696,352	4,751,648	429,638	2001	40 yrs.
8911 Columbine Road (B2) Eden Prairie, MN	; —	916,687	. —	3,608,469	1,718,407	2,806,748	4,525,156	377,488	2000	40 yrs.
8855 Columbine Road Eden Prairie, MN	.—	1,400,925		5,226,016	1,599,757	5,027,185	6,626,941	325,388	2000	40.yrs.
27260 Haggerty Road Farmington Hills, MI	r 💳	456,877	4,091,196	754,780	456,877	4,845,977	5,302,854	1,273,497	1983	40 yrs.
27200 Haggerty Road Farmington Hills, MI		382,754	3,425,227	363,784	382,754	3,789,011	4,171,765	1,043,115	1983 1983	40 yrs.
27280 Haggerty Road ** Farmington Hills, MI 27220 Haggerty Road Farmington Hills, MI	—.	452,860 203,064	. 4,055,512 1,802,592	443,764 174,777	452,860 203,064	4,499,276, 1,977,369	4,952,136 2,180,433	1,150,855 530,662	1985	40 yrs. 40 yrs.
27220 Haggerty Road Farmington Hills, MI	a II.	171,518	1,518,192	280,526	171,518	1,798,718	1,970,236	445,822	1985	40 yrs.
27300 Haggerty Road Farmington Hills, MI	li sii	370,378	3,311,366	732,514	370,378	4,043,880	4,414,259	967,017	1985	40 yrs.
26442-26450 Haggerty Road Farmington Hills, MI	1 <u>~</u> >	237,687	2,143,478	152,517		2,295,991	2,533,682	534,548	1988	40 yrs
26500 Haggerty Road Farmington Hills, MI		311,093	2,791,804	433,388	311,097	3,225,188	3,536,285	737,282	1986	40 yrs.
26650 Haggerty Road Farmington Hills, MI	: · · · · · ·	173,166	1,562,704	143,228	173,170	1,705,928	1,879,098	378,883	1988	40 yrs.
26700 Haggerty Road Farmington Hills, MI		253,338	2,290,696	104,078	253,341	2,394,770	2,648,112	542,406	1986	40 yrs.
26750 Haggerty Road Farmington Hills, MI	r —	292,717	2,638,688	250,110		2,888,795	3,181,515	750,106	1988	40 yrs.
26800 Haggerty Road Farmington Hills, MI		175,489	1,583,362	243,691	175,492	1,827,050	2.002,542	500,064	1986	40 yrs.
26842-26850 Haggerty Road Farmington Hills, MI	: -	239,606	2,160,470	364,314 2,921,972	239,609 537,693	2,524,781 2,840,125	2,764,390 3,377,818	707,486 819,672	1988 1999	40 yrs.
26600 Haggerty Road Farmington Hills, MI 26550 Haggerty Road Farmington Hills, MI		455,846 368,083	_	2,647,709	535,179	2,480,613	3,015,792	658,542	2000	40 yrs. 40 yrs.
7028 Snowdrift Road Fogelville, PA	_	520,473	959,279	262,203	524,390	1,217,565	1,741,954	292,366	1982	40 yrs.
420 Delaware Drive Fort Washington, PA	-	2,766,931	-	8,814,580	2,823,257	8,758,255	11,581,511	49,754	2005	40 yrs.
414 Commerce Drive Fort Washington, PA	_	1,267,194	2,217,460	177,437	1,267,937	2,394,153	3,662,091	63,339	2004	40 yrs.
275 Commerce Drive Fort Washington, PA		1,775,894	2,160,855	1,870,359	1,789,302	4,017,806	5,807,108	_	2005	40 yrs.
1250 Virginia Drive Fort Washington, PA	· —	1,639,166	1,928,574	422,241	1,650,703	2,339,278	3,989,980	23,113	2005	40 yrs.
1100 Virginia Drive Fort Washington, PA	<u> </u>	13,007,509	11,480,744	53,906	13,035,013	11,507,146	24,542,159	197,270	2006	40 yrs.
106 Southchase Boulevard Fountain Inn, SC	. —.	201,944		5,133,389	684,003	4,651,330	5,335,333	125,941	2005	40 yrs.
9601 Cosner Drive Fredericksburg, VA	: -	475,262	3,917,234	214,221	475,262	4,131,454	4,606,716	1,177,660	1995	√ 40 yrs.
200 W Cypress Creek Road Ft Lauderdale, FL	3 1.55	3,414,989	2,399,738	9,866,832	3,414,989	12,266,571	15,681,559	452,897	2003 1985	40 yrs.
5410 - 5430 Northwest 33rd Avenue Ft. Lauderdale, FL 6500 NW 12th Avenue Ft. Lauderdale, FL	i =	603,776 7,099	4,176,238 3,046,309	1,101,013 438,216	625,111	5,255,916 3,491,624	5,881,027 3,491,624	1,288,523 884.615	1989	40 yrs. 40 yrs.
6600 NW 12th Avenue Ft. Lauderdale, FL	· i · · · · · · · · · · · · · · · · · ·	7,102	3,040,307	486,427		3,540,992	3,540,992	×912,641	1989	40 yrs.
4880 Cox Road Glen Allen, VA	.n	743.898	4.499.807	2,746,479	743,898	7,246,286	7,990,184	1,217,434	1995	40 yrs.
	\$ -	770,214	3,685,248	185,433	771,029	3,869,867	4,640,895	1,080,246	1990	40 yrs.
5500 Cox Road Glen Allen, VA	· -	443,485	_	3,347,885	483,263	3,308,107	3,791,370	793,756	1999	40 yrs.
4801 Cox Road Glen Allen, VA	;       —	1,072,896		10,197,775	1,075,620	10,195,051	11,270,671	2,394,924	1998	40 yrs.
4198 Cox Road Glen Allen, VA	. <del>.</del>	670,292	3,839,245	981,346	670,292	4,820,591	5,490,883	1,290,221	1984	40 yrs.
4510 Cox Road Glen Allen, VA	<u></u>	1,010,024	7,151,729	1,751,122	1,010,044	8,902,831	9,912,875	2,447,991	1990	40 yrs.
4121 Cox Road Glen Allen, VA 420 Park Avenue Greenville, SC	· -	1,083,006	6,035,653	519,164 977,573	1,083,006 522,548	6,554,817 3,707,834	7,637,824 4,230,382	436,918 1,096,196	2004 1986	40 yrs.
420 Park Avenue Greenville, SC One Independence Pointe Greenville, SC		522,548 780,881	2,730,261 6,199,230	6,430,871	784,617	12,626,365	13,410,982	2,240,553	1980	40 yrs. 40 yrs.
one imagendance romes orecliving, or		700,001	0,177,230	0,150,071	707,017	. =,020,303	. 5,710,702	2,240,555	.,02	10 /13.

·			Initio	l Cost	Costs Capitalized	Gross Amo	unt Carried at End of Per	fod		Date of	
Project	Location	Encumbrances_	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES		24.11						1 2 2 2 2 2 2			
15 Brendan Way 4 Independence Pointe	Greenville, SC Greenville, SC		614,192	., 3,012,019	1,767,666 3,555,776	614,192 467,438	4,779,684 3,088,339	5,393,876 3,555,776	1,424,079 587,548	.1988 2002	. 40 yrs.
5 Independence Pointe	Greenville, SC	- x + + ± <u>-</u>		ar e 🛅 t	3,286,804	467,438	2,819,366	3,286,804	616,674	2002	40 yrs. 40 yrs.
200 Southchase Boulevard	Greenville, SC		512,911	· · · · · · · · · · · · · · · · · · ·	6,273,615	515,542	6,270,984	6,786,525	478,893	2002	40 yrs.
6 Independence Pointe	Greenville, SC	1.50 mm = 1	312,	<u> </u>	3,061,966	545,698	2,516,268	3,061,966	195,504	2003	40 yrs.
2 Independence Point	Greenville, SC		371,600	· — ·	3,168,228	682,881	2,856,946	3,539,828	30,935	2005	40 yrs.
1 Enterprise Parkway	Hampton, VA	.337	974,675	5,579,869	1,182,175	974,675	6,762,044	7,736,719.	1,737,849	1987	40 yrs.
22 Enterprise Parkway	Hampton, VA		1,097,368	6,760,778	856,086	1,097,368	7,616,864	8,714,232	2,061,113	1990	40 утѕ.
5 Manhattan Square	Hampton, VA		207,368	;	1,663,695	212,694	1,658,368	1,871,063	428,848	1999	40 yrs.
21 Enterprise Parkway 521 Butler Farm Road	Hampton, VA Hampton, VA	383,605	263,668 750,769	8,167,118 2,911,149	511,240 260,815	265,719 710,486	8,676,307 3,212,247	8,942,026 3,922,733	1,386,213	1999 2003	40 yrs. 40 yrs.
7317 Parkway Drive	Hanover, MD		1.104.359	1.959.671	79.319	1,104,359	2,038,990	3,922,733	453,669	1983	40 yrs.
500 McCarthy Drive	Harrisburg, PA		5,194,872	19,991,436	4,120,570	5,687,013	23,619,865	29,306,878	1,197,404	2005	40 yrs.
4170 Mendenhall Oaks Parkway	High Point, NC	:	143,699	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2,210,943	373,502	1,981,140	2,354,642	543,603	1999	40 yrs.
4180 Mendenhall Oaks Parkway	High Point, NC	·	121,329	— ,	1,836,257	315,614	1,641,972	1,957,586	506,298	1999	40 yrs.
4050 Piedmont Parkway	High Point, NC	:	801,902	. —	19,610,267	2,042,159	18,370,011	20,412,169	3,868,705	1998	40 yrs.
4523 Green Point Drive	High Point, NC	\$ ' · · · · · · · · · · · · · · · · · ·	234,564	— ¢	2,404,561	235,698	2,403,427	2,639,125	1,058,454	. 1988 ;	40 yrs.
4501 Green Point Drive	High Point, NC		319,289		2,630,880	320,450	2,629,719	2,950,169	1,156,811	1989	40 yrs.
4500 Green Point Drive 2427 Penny Road	High Point, NC High Point, NC		230,622		2,333,337 3,467,001	231,692 655,240	2,332,268 3,977,424	2,563,959 4,632,665	1,087,232	1989 1990	40 yrs. 40 yrs.
4524 Green Point Drive	High Point, NC	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1,163,004	::::: <u>::::::::::::::::::::::::::::::::</u>	2,364,005	183,888	2,362,926	2,546,815	1.020.204	1989	40 yrs.
4328, 4336 Federal Drive	High Point, NC	4,545,898	521,122		7,238,387	825,092	6,934,416	7,759,509	3,316,305	1995	40 yrs.
4344 Federal Drive	High Point, NC		484,001	آ <del>نے</del> ڈیونٹی ۔	2,755,206	173,623	3,065,585	3,239,208	1,019,455	1996	40 yrs.
4000 Piedmont Parkway	High Point, NC	· . —	592,885	4,825,615	807,718	597,368	5,628,850	6,226,218	1,733,031	1989	40 yrs.
4380 Federal Drive	High Point, NC		282,996	— i	2,210,549	283,368	2,210,177	2,493,545	727,018	1997	40 yrs.
4388 Federal Drive	High Point, NC		143,661	<del></del> -	1,225,791	132,655	1,236,797	1,369,452	430,335	1997	40 yrs.
4160 Mendenhall Oaks Parkway 4194 Mendenhall Oaks Parkway	High Point, NC High Point, NC		285,882 102,372		3,351,586 2,598,532	545,627 265,991	3,091,841 2,434,913	3,637,468 2,700,904	725,642 647,095	1998 - 1999	40 yrs. 40 yrs.
4196 Mendenhall Oaks Parkway	High Point, NC	1. St. 1. I	66,731	= -	2,250,342	173,889	2,143,184	2,317,073	709.040	1999	40 yrs.
4300 Federal Drive	High Point, NC	· —	264,038	. —	2,090,460	276,038	2,078,460	2,354,498	367,817	1998	40 yrs.
4135 Mendenall Oaks Parkway	High Point, NC	-	499,500	"	3,052,846	. 500,980	3,051,365	3,552,346	563,934	2000	40 yrs.
4183 Eagle Hill Drive	High Point, NC	—	122,203	<b>–</b> ,	3,748,139	526,266	3,344,076	3,870,342	1,096,678	2001	40 yrs.
4189 Eagle Hill Drive	High Point, NC	. –	100,106	<del>-</del> -	3,430,702	431,106 378,101	3,099,702	3,530,808 1,776,931	723,686	2001	40 yrs.
4020 Meeting Way 1400 Mendenhall Oaks Parkway	High Point, NC High Point, NC	- 1444 L <u></u>	94,232 172,320	Ξ.	1,682,699 7,145,926	984,672	1,398,830 6,333,574	7,318,246	313,939 1,020,098	2002	40 yrs. 40 yrs.
4191 Mendenhall Oaks Parkway		_	217,943		3,119,682	611,166	2,726,459	3,337,625	422,224	2002	40 yrs.
4015 Meeting Way	High Point, NC	**y	510,000	.— "	2,792,495	511,869	2,790,626	3,302,495	141,901	2003	40 yrs.
4195 Eagle Hill Drive	High Point, NC	· -	107,586	_	3,349,592	505,700	2,951,478	3,457,178	120,322	2004	40 yrs.
400 Mendenhall Oaks Parkway"	High Point, NC			,— •	1,860,213	665,239	1,194,974	1,860,213	14,800	2004	40 утѕ.
100 Witmer Road 132 Welsh Road	Horsham, PA	5,804,315	3,102,784 1,333,642	_	11,902,626 4,219,965	3,764,784 1,408,041	11,240,627 4,145,566	15,005,410 5,553,607	2,877,003 1,331,664	1996	40 yrs.
300 Welsh Road — Building 3	Horsham, PA Horsham, PA	· · _	180,459	1,441,473	358,107	180,459	1,799,579	1,980,038	566,487	1983	40 yrs. 40 yrs.
300 Welsh Road — Building 4	Horsham, PA	··	282,493	2,256,508	1,347,544	282,493	3,604,051	3,886,545	1,094,113	1983	40 yrs.
2 Walnut Grove Drive	Horsham, PA	_	1,281,870	7,767,374	1,614,038	1,265,363	9,397,919	10,663,282	2,775,835	1989	40 yrs.
5 Walnut Grove Drive	Horsham, PA	_	1,065,951	· -	9,658,857	1,939,712	8,785,096	10,724,809	1,749,887	2000	40 yrs.
200 Gibraltar Road	Horsham, PA	_	638,513	5,811,323	1,627,733	638,513	7,439,056	8,077,569	2,202,723	1990	40 утѕ.
220 Gibraltar Road	Horsham, PA		629,944	5,733,228	1,201,778	629,944	6,935,006	7,564,950	2,143,096	1990	40 yrs.
240 Gibraltar Road 1 Walnut Grove Drive	Horsham, PA Horsham, PA	. —	629,944 1,058,901	5,733,234 5,343,606 å	1,578,115 1,041,557	629,944 1,058,901	7,311,349 6,385,163	7,941,293 7,444,064	2,295,152 2,059,580	1990 1986	40 yrs. 40 yrs.
181-187 Gibraltar Road	Horsham, PA	_	360,549	3,259,984	506,596	360,549	3,766,580	4,127,129	1,094,203	1982	40 yrs.
104 Rock Road	Horsham, PA	·	330,111	2,981,669	233,299	330,111	3,214,968	3,545,079	705,425	1974	40 yrs.
123-135 Rock Road	Horsham, PA	—	292,360	2,411,677	871,555	393,019	3,182,573	3,575,591	970,834	1975	40 утв.
111-159 Gibraltar Road	Horsham, PA	- 14 1	489,032	4,126,151	613,296	489,032	4,739,447	5,228,479	1,272,980	*1981	40 yrs.
161-175 Gibraltar Road	Horsham, PA	· · · · —	294,673	2,663,722	987,299	294,673	3,651,020	3,945,694	856,934	1976	40 yrs.
103-109 Gibraltar Road 261-283 Gibraltar Road	Horsham, PA Horsham, PA	_	270,906 <sub>.:</sub> 464,871	2,448,500 3,951,972	795,126 141,841	270,906 464,871	3,243,625 4,093,813	3,514,531 4,558,684	1,044,383	1978 1978	40 yrs. 40 yrs.
210-223 Witmer Road	Horsnam, PA	, e d		2,441,276	1,761,333	270,282	4,202,609	4,472,891	959,764	1978	40 yrs.
231-237 Gibraltar Road	Horsham, PA		436,952	3,948,963	699,674	436,952	4,648,636	5,085,589	1,155,695	1981	40 yrs.
100 Gibraltar Road	Horsham, PA	: -	38,729	349,811	9,589	38,729	359,400	398,129	81,406	1975	40 yrs.
101 Gibraltar Road	Horsham, PA	. —	651,990	5,888,989	1,376,885	732,552	7,185,312	7,917,864	1,741,900	1977	40 yrs.
506 Prudential Road	Horsham, PA	–	208,140	895,470	652,633	208,140	1,548,102	1,756,243	357,080	1973	40 yrs.
113-123 Rock Road 101-111 Rock Road	Horsham, PA Horsham, PA	-	351,072 350,561	3,171,001 3,166,389 {	334,495 640,212	451,731 452,251	3,404,836 3,704,911	3,856,568 4,157,162	823,288 892,449	1975 1975	40 yrs. 40 yrs.
101-111 NOCK NOAG	THOUSINGILL FA	- · · · -	וטכיטככ	3,100,369	070,212	732,231	3,707,11	4,137,104	072,449	17/3	70 Jis.

			Initio	al Cost	Costs Capitalized Subsequent	Gross Amour	t Carried at End of Per	riod	Accumulated	Date of Construction	Depreciable
Project	Location	Encumbrances	Land	Building	to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Depreciation 12/31/06	or Acquisition	life (years)
OPERATING PROPERTIES											
120 Gibraltar Road	Horsham, PA		533,142	4,830,515	973,788	558,142	5,779,303	6,337,445	1,392,610	1980	40 yrs.
110 Gibraltar Road	Horsham, PA	1 LSW 67. 🛨	673,041	5,776,369	2,170,108	673,041	7,946,477	8,619,518	1,938,777	1979	40 yrs.
100-107 Lakeside Drive 200-264 Lakeside Drive	Horsham, PA	1.2827717	239,528 502,705	2,163,498 4,540,597	659,861	255,528 502,705	2,807,359 5,455,862	3,062,887 5,958,567	844,384 1,609,702	1982 1982	40 yrs.
300-309 Lakeside Drive	Horsham, PA	: 17%C 1	369,475	3,338,761	1,710,844	376,475	5,042,605	5,419,080	1,681,475	1982	40 yrs. 40 yrs
400-445 Lakeside Drive	Horsham, PA	1788 A. L. H. J. L. T.	543,628	4,910,226	2,760,384	583,628	7,630,610	8,214,238	2,059,164	1981	. 40 yrs.
104 Witmer Road	Horsham, PA	1998 I	1,248,148	4,510,220	1,133,479	189,793	2,191,834	2,381,627	735,818	1975	40 yrs.
201 Gibraltar Road	Horsham, PA	- I	380,127	3,433,433	1,997,494	380,802	5,430,252	5,811,054	1,285,924	1983	40 yrs.
719 Dresher Road	Horsham, PA	***	493,426	2,812,067	205,125	495,112	3,015,506	3,510,618	669,434	1987	40 yrs.
4 Walnut Grove	Horsham, PA	. P	2,515,115		7,329,299	2,515,115	7,329,299	9,844,415	1,405,252	1999	
300 Welsh Road	Horsham, PA	_	696,061	3,339,991	547,772	696,061	3,887,762	4,583,823	866,821	1985	40 yrs.
700 Dresher Road	Horsham, PA		2,551,777	3,020,638	4,641,908	2,565,140	7,649,183	10,214,323	3,175,714	1987·	40 yrs.
680 Blair Mill Road	Horsham, PA	_	3,527,151	_	12,039,009	4,138,577	11,427,583	15,566,160	2,583,511	2001	40 yrs.
102 Rock Road	Horsham, PA	` <b>–</b>	1,110,209	2,301,302	1,133,191	1,114,985	3,429.717	4,544,702	474,800	1985	40 yrs.
335 Commerce Drive	Horsham, PA	_	_	_	8,736,456	182,400	8,554,056	8,736,456	470,505	2002	40 yrs.
255 Business Center Drive	Horsham, PA	_	1,086,356	2,007,214	496,797	1,078,769	2,511,597	3,590,366	206,020	2003	40 yrs.
355 Business Center Drive	Horsham, PA	_	483,045	898,798	275,266	479,200	1,177,910	1,657,110	129,780	2003	40 yrs.
455 Business Center Drive	Horsham, PA	. —	1,351,011	2,503,449	1,668,600	1.343,370	4,179,690	5,523,060	548,149	2003	40 yrs.
555 Business Center Drive 747 Dresher Road	Horsham, PA Horsham, PA		727,420 1,607,238	1,353,650	213,228 4,935,054	723,016 1,607,977	1,571,283 4,934,315	2,294,299 6,542,292	212,922 2,185,045	2003 1988	40 yrs.
507 Prudential Road	Horsham, PA	6,268,630	644,900	5,804,100	8,784,448	1,131,380	14,102,068	15,233,448	3,726,697	1988	40 yrs. 40 yrs.
767 Electronic Drive	Horsham, PA	0,208,030	1,229,685	3,804,100	3,319,209	1,241,970	3,306,924	4,548,893	1,461,410	1996	. 40 yrs.
16445 Air Center Boulevard	Houston, TX		363,339	2,509,186	545,867	363,339	3,055,053	3,418,392	940,458	1997	40 yrs.
16405 Air Center Boulevard	Houston, TX		438,853	3,030,396	404,912	438,853	3,435,307	3,874,160	822,102	1997 - 1	40 yrs.
16580 Air Center Boulevard	Houston, TX		289,000	3,559,857	265,899	289,000	3,825,756	4,114,756	834,181	1997	40 yrs.
1755 Trans Central Drive	Houston, TX		293,534	3,036,269	190,651	306,147	3,214,306	3,520,453	579,451	1999	40 yrs.
16605 Air Center Boulevard	Houston, TX	_	298,999	. — .	3,770,315	496,186	3,573,128	4,069,314	790,837	2002	40 yrs.
10739 West Little York Road	Houston, TX	· · · -	797,931	5,950,894	242,625	799,560	6,191,890	6,991,450	803,207	. 1999	40 yrs.
10735 West Little York Road	Houston, TX		1,110,988	6,351,946	1,657,286	1,135,483	7,984,738	9,120,220	712,611	2000	40 yrs.
8801-19 & 8821-49 Fallbrook Driv		<del>-</del>	2,290,001	15,297,141	1,535,943	2,290,002	16,833,084	19,123,085	1,587,024	2000	40 yrs.
16685 Air Center Boulevard	Houston, TX	—	420 AE3	2 260 015	2,935,268	414,691	2,520,577	2,935,268	184,042	2004	40 yrs.
8825-8839 N Sam Houston Pkwy 8850-8872 Fallbrook Drive		<u>=</u>	638,453	3,258,815	567,574 1,014,679	638,477	3,826,364	4,464,842	194,007	2004 2004	40 yrs.
8802-8824 Fallbrook Drive	Houston, TX Houston, TX	· • • • • • • • • • • • • • • • • • • •	504,317 1,114,406	2,878,351 6,364,767	663,613	504,341 1,114,433	3,893,006 7,028,353	4,397,347	542,346	2004	40 yrs. 40 yrs.
16602 Central Green Boulevard	Houston, TX	· · · I	284.403	0,304,707	4,496,262	503,779	4,276,886	4,780,665	149,476	2004	40 yrs.
20 Wright Avenue	Hunt Valley, MD		1,205,946		9,669,027	1,861,025	9,013,948	10,874,973	1,351,645	2001	40 yrs.
4 North Park Drive	Hunt Valley, MD	· —	3,269,948	13,551,370	993,133	3,269,948	14,544,504	17,814,451	1,298,941	2003	40 yrs.
6 North Park Drive	Hunt Valley, MD		2,077,949	8,770,566	1,109,669	2,077,949	9,880,235	11,958,184	976,602	2003 :	40 yrs.
10 North Park Drive	Hunt Valley, MD	· · · · · ·	2,211,969	7,816,042	210,820	2,211,969	8,026,862	10,238,831	625,778	2003	40 yrs.
307 International Circle	Hunt Valley, MD	; · . <u>-</u>	3,538,319	14,190,832	11,315,040	3,542,881	25,501,310	29,044,191	735,562	2004	40 yrs.
309 International Circle	Hunt Valley, MD	-	613,667	2,458,204	648,156	615,096	3,104,930	3,720,026	120,826	2004	40 yrs.
311 International Circle	Hunt Valley, MD		313,365	1,281,093	69,591	314,572	1,349,478	1,664,050	35,808	2004	40 yrs.
8775 Baypine Road	Jacksonville, FL	$\ \cdot\ _{L^{\infty}(\mathbb{R}^{n})} \leq \frac{1}{n}$	906,804	_	3,352,809	913,013	3,346,599	4,259,613	1,490,769	1989	40 yrs.
6255 Lake Gray Boulevard	Jacksonville, FL		813,067	` —	3,960,328	812,634	3,960,761	4,773,395	2,061,279	1987	40 yrs,
8665,8667,8669 Baypine Road 7970 Bayberry Road	Jacksonville, FL Jacksonville, FL	santa E	966,552 127,520	: - =	5,892,549 1;369,921	974,959 129,979	5,884,142 1,367,462	6,859,101	2,590,822 1,018,453	1987 1978	40 yrs.
7077 Bonneval Road	Jacksonville, FL	1470 P	768,000	5,789,000	3,066,996	774,020	8,849,976	9,623,996	3,280,922	1978	40 yrs. 40 yrs.
4190 Belfort Road	Jacksonville, FL	; <u> </u>	821,000	5,866,000	3,229,138	827,420	9,088,718	9,023,990	3,843,929	1986	40 yrs. 40 yrs.
7020 AC Skinner Parkway	Jacksonville, FL	" <u></u>	398,257	5,000,000	2,780,426	749,811	2,428,873	3,178,683	1,020,424	1996	40 yrs.
7022 AC Skinner Parkway	Jacksonville, FL		706,934	· . · · —	3,593,671	853,981	3,446,624	4,300,605	1,319,301	1996	40 yrs.
11777 Central Highway	Jacksonville, FL	· —	92,207	429,997	1,275,050	140,426	1,656,828	1,797,254	1,012,104	1985	40 yrs.
4345 Southpoint Parkway	Jacksonville, FL	· _	· —	· · · · —	8,791,159	418,093	8,373,065	8,791,159	2,354,624	1998	40 yrs.
7016 AC Skinner Parkway	Jacksonville, FL	_	597,181	_	2,377,385	602,633	2,371,934	2,974,566	1,042,593	1996	40 yrs.
7018 AC Skinner Parkway	Jacksonville, FL		840,996	. —	4,643,140	846,461	4,637,675	5,484,136	1,887,918	1997	40 yrs.
7014 AC Skinner Parkway	Jacksonville, FL	- · · · · · · · ·	574,198		3,633,593	780.486	3,427,305	4,207,791	1,137,784	1999	40 yrs.
6620 Southpoint Drive	Jacksonville, FL	· ; —	614,602	4,267,477	984,847	614,602	5,252,323	5,866,926	1,528,012	1984	40 yrs.
7980 Bayberry Road	Jacksonville, FL	_	330,726	1,338,101	32,776	330,726	1,370,877	1,701,603	333,506	1978	40 yτs.
6600 Southpoint Parkway 6700 Southpoint Parkway	Jacksonville, FL Jacksonville, FL	_	998,432	4,055,727	851,752	1,002,704	4,903,207	5,905,911	1,442,391	1986	40 yrs.
4801 Executive Park Court – 100	Jacksonville, FL	_	620,719 554,993	2,989,746 2,993,277	750,311	624,215 554,542	3,736,561 4,305,817	4,360,776 4,860,360	1,326,619 1,335,378	1987 1990	40 yrs.
4801 Executive Park Court – 700	Jacksonville, FL	, . <u> </u>	370,017	1,995,518	348,996	370.039	2,344,492	2,714,531	1,335,378 575,497	1990	40 yrs. 40 yrs.
4810 Executive Park Court	Jacksonville, FL		369,694		941,958	370.039	3,987,251	4,357,291	884,986	1990	40 yrs.
6602 Executive Park Court - 100	Jacksonville, FL	· · · · —	388,519	2,095,293	297,873	388,541	2,393,144	2,781,685	624,753	1993	40 yrs.
				_,	.,		_,	_,,	V= 1,		3

		_	Initial	Cost	Costs Capitalized	Gross Am	ount Carried at End of Peri	od		Date of	
Project	Location Encum	brances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreclation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES				A 1 1 1 1 1 1 1	·						
6602 Executive Park Court - 200	Jacksonville, FL	× .—	296,014	1,596,347	449,559	296,032		2,341,920	515,311	1993	40 yrs.
6631 Executive Park Court - 100 6631 Executive Park Court - 200	Jacksonville, FL Jacksonville, FL	1.8	251,613 406,561	1,356,849 2,195,070 h	482,785 221,980	251,627 407,043		2,091,247 2,823,611	609,302 677,090	1994 1994	40 yrs.
4815 Executive Park Court - 100	Jacksonville, FL	* =	366,317	1,975,393	340,258	366,339		2,681,968	712,134	1995	40 yrs. 40 yrs.
4815 Executive Park Court - 200	Jacksonville, FL		462,522	2,494,397	459,048	462,549		3,415,967		1995	40 yrs.
4825 Executive Park Court	Jacksonville, FL		601,278	3,242,491	282,810	601,401	3,525,178	4,126,579	959,847	1996	40 yrs.
4820 Executive Park Court	Jacksonville, FL		555,173	2,693,130	768,348	555,213		4,016,651	909,913	1997	40 yrs.
6601 Executive Park Circle North	Jacksonville, FL		551,250	3,128,361	640	551,250		3,680,251	703,615	1992	40 yrs.
4901 Belfort Road	Jacksonville, FL		877,964	2,360,742	1,966,868	877,964		5,205,574	1,599,696	1986	40 yrs.
4899 Belfort Road	Jacksonville, FL		1,299,201		8,179,240	1,207,751	8,270,690 3,458,088	9,478,441	1,787,670	2000	40 yrs.
4905 Belfon Street	Jacksonville, FL	> <del>;</del> .	638,154	-,	3,461,206	641,272 662,559		4,099,360	£06U,033	2000 2000	40 yrs.
7251 Salisbury Road 10245 Centurion Parkway North	Jacksonville, FL Jacksonville, FL		852,644	3,510,889	3,567,820 968,204	853,704		3,567,820 5,331,737	747,221 1,002,121	1996	40 утs. 40 угs.
4887 Belfort Road	Jacksonville, FL		1,299,202	3,510,667	7,890,278	1,665,915		9,189,480	1,444,468	2002	40 yrs.
7255 Salisbury Road	Jacksonville, FL		392,060	<u> </u>	2,982,347	680,766		3,374,407	481,925	2002	40 yrs.
5201 Gate Parkway	Jacksonville, FL		3,836,532	_	21,192,513	4,269,346		25,029,045	446,736	2005	40 yrs.
3200 Horizon Drive	King of Prussia, PA	_	928,637	_	7,053,358	1,210,137		7,981,995	2,424,253	1996	40 yrs.
440 East Swedesford Road	King of Prussia, PA		717,001	4,816,121	2,684,214	717,001		8,217,336	2,723,279	1988	40 yrs.
460 East Swedesford Road	King of Prussia, PA	_	705,317	4,737,487	3,799,506			9,242,310	1,888,272	1988	40 yrs.
151 South Warner Road 3604 Horizon Drive	King of Prussia, PA		1,218,086 397,178	6,937,866	360,761 1,628,512	1,186,972 350,874		8,516,713 2,025,690	1,860,186 688,143	1980	40 yrs. 40 yrs.
3606 Horizon Drive	King of Prussia, PA King of Prussia, PA	_	789,409	· =	1,947,590	815,855		2,736,999	771,104	1997	40 yrs.
650 Swedesford Road	King of Prussia, PA		952,911	6,722,830	9,647,843	952,911		17,323,583	5,840,247	1971	40 yrs.
680 Swedesford Road	King of Prussia, PA	_	952,361	6,722,830	8,367,206	952,361		16,042,397	5,693,790	1971	40 yrs.
3600 Horizon Drive	King of Prussia, PA	<u> </u>	236,432	1,856,252	610,135	236,432			487,948	1989	40 yrs.
3602 Horizon Drive	King of Prussia, PA	A	217,734	1,759,489	338,288	217,809	2,097,701	2,315,510	545,130	1989	40 yrs.
2700 Horizon Drive	King of Prussia, PA	<u> </u>	764,370	}	3,682,257	867,815		4,446,627	1,125,765	1998	40 yrs.
2900 Horizon Drive 2500 Renaissance Boulevard	King of Prussia, PA	_ =	679,440 509,580	· · · · · · · · · · · · · · · · · · ·	3,503,074	774,096 592,886		4,182,514 3,295,636	910,904	1998 1999	40 yrs.
2300 Renaissance Boulevard	King of Prussia, PA King of Prussia, PA	. =	509,580	:=.::	3,038,151	574,152		3,547,731	764,372	1999	40 yrs. 40 yrs.
2100 Renaissance Boulevard	King of Prussia, PA	71	1,110,111		9,382,851	1,132,519		10,492,962	2.601.425	1999	40 yrs.
3400 Horizon Drive	King of Prussia, PA	_	776,496	3,139,068	976,974	776,496		4,892,538	1,110,392	1995	40 yrs.
2301 Renaissance Boulevard	King of Prussia, PA	_	1,645,246	- 1	30,063,879				4.096,749	2002	40 yrs.
2520 Renaissance Boulevard	King of Prussia, PA	—	1,020,000		5,005,045	978,402		6,025,045	1,852,202	1999	40 yrs.
2201 Renaissance Boulevard	King of Prussia, PA	_	_		15,548,161	2,413,514		15,548,161	3,185,717	2000 2000	40 yrs.
2540 Renaissance Boulevard 2560 Renaissance Boulevard	King of Prussia, PA King of Prussia, PA	_		_	1,625,497 3,729,254	274,341 649,792	1,351,156 3,079,462	1,625,497 3,729,254	346,016 758,039	2000	40 утs. 40 утs.
170 South Warner Road	King of Prussia, PA	_	547,800	3,137,400	3,783,307	458,232		7,468,507	2,965,120	1980	40 yrs.
190 South Warner Road	King of Prussia, PA		552,200	3,162,600	1,739,928	461,909		5,454,728	2,170,397	1980	40 yrs.
3100 Horizon Drive	King of Prussia, PA	_	601,956	· · ·	2,068,047	611,436	2,058,568	2,670,003	750,766	1995	40 yrs.
3500 Horizon Drive	King of Prussia, PA	_	1,204,839	·	2,630,229	1,223,875		3,835,068	696,574	1996	40 yrs.
3000 Horizon Drive	King of Prussia, PA	_	1,191,449	_	2,309,358	946,703	2,554,103	3,500,806	559,994	1997	40 yrs.
800 Town Center Drive	Langhorne, PA	_	1,617,150	2 400 026	10,797,563 7,682	1,619,288		12,414,713	5,032,511	1987 2006	40 yrs.
11425 State Highway 225 11503 State Highway 225	LaPorte, TX LaPorte, TX	_	975,974 2,561,931	3,409,036 9,779,023	20,165	977,519 2,565,988		4,392,692 12,361,120	31,583 72,104	2006	40 yrs. 40 yrs.
7528 Walker Way	Lehigh Valley, PA		893,441	9,779,023	5,514,510	779,330		6,407,952	157,996	2004	40 yrs.
8301 Industrial Boulevard	Lehigh, PA	ur . <u></u>	11,249,550		44,122,702	11,254,716		55,372,252	1,310,158	2005	40 yrs.
32853 Edward Avenue	Madison Heights, MI		138,121	784,426	(5,207)	138,121	779,219	917,340	210,450	1973	40 утѕ.
750 East Mandoline Avenue	Madison Heights, MI	—,,	151,458	741,185	(80,456)	151,458		812,187	172,982		40 yrs.
900 East Mandoline Avenue	Madison Heights, MI	Com v	157,729	771,872	(43,850)			885,751	223,686	1972	40 yrs.
31700 Research Park Drive 31771 Sherman Avenue	Madison Heights, MI	( <del></del>	373,202 150,944	1,824,721 645,040	(158,741) (7,564)	373,203 150,944		2,039,182 788,420	382,957 203,445	1988 1982	40 yrs. 40 yrs.
31791 Sherman Avenue	Madison Heights, MI	. =	105,606	649,891	(54,791)			700,706	143,185	1983	40 yrs.
31811 Sherman Avenue	Madison Heights, MI	· -	207,599	1,179,010	(149,901)	207,599		1,236,709	254,186	1983	40 yrs.
1201 East Whitcomb Avenue	Madison Heights, MI	· · —	302,567	1,213,232	(175,088)		1,038,144	1,340,711	266,116	1980	40 yrs.
1901 Summit Tower Boulevard	Maitland, FL	_	6,078,791	12,348,567	1,625,469	6,083,206		20,052,828	2,792,232	1998	40 yrs.
45-67 Great Valley Parkway	Malvern, PA	-	795,143	<del></del> .	3,352,726	795,831	3,352,038	4,147,869	2,136,395	1974	40 yrs.
11,15 Great Valley Parkway 27-43 Great Valley Parkway	Malvern, PA	•	1,837,050 448,775	_	15,005,064 2,545,542	1,837,878 449,447	15,004,237 2,544,870	16,842,114 2,994,317	9,920,837 1,549,853	1986 1977	40 yrs. 40 yrs.
1 Country View Road	Malvern, PA Malvern, PA	_	400,000	3,600,000	1,007,648	406,421	4,601,227	5,007,648	1,349,833	1977	40 yrs. 40 yrs.
200 Chesterfield Parkway	Malvern, PA	_	495,893	2,739,093	558,159	544,649	3,248,496	3,793,145	1,920,292	1989	40 yrs.
50 Morehall Road	Malvern, PA		849,576		13,043,717	1,337,076		13,893,293	4,337,326	1997	40 yrs.
l Great Valley Parkway	Malvern, PA	_	419,460	3,792,570	330,704	419,460	4,123,273	4,542,734	1,064,218	1982	40 yrs.

			Initi	al Cost	Costs Capitalized	Gross Amou	unt Carried at End of Per	riod	Accumulated	Date of Construction	Depreciable
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Depreciation 12/31/06	or Acquisition	life (years)
OPERATING PROPERTIES			<b></b>	. 101 //1	1 205 825	(94.300	7 407 407	0.171.694	1 962 061	1983	40
5 Great Valley Parkway 1001 Cedar Hollow Road	Malvern, PA Malvern, PA	i i kale II.	684,200 1,436,814	6,181,661	1,305,825 16,077,184.	684,200 1,676,470	7,487,486 15,837,528	8,171,686 17,513,998	1,853,061 4,972,256	1983	40 yrs. 40 yrs.
3 Country View Road	Malvern, PA		814,278	_	5,142,433	1,128,881	4,827,830	5,956,711	984,217	1998	40 yrs.
425 Technology Drive	Malvern, PA	· . · . ·	191,114		2,101,323	321,473	1,970,964	2,292,437			40 yrs.
375 Technology Drive	Malvern, PA		191,114		1,958,524	234,922	1,914,715	2,149,638	703,554	1998	40 yrs.
45 Liberty Boulevard	Malvern, PA	ı —	4,380,221		15,314,868	4,749,748	14,945,341	19,695,089	4,425,097	1999	40 yrs.
100 Chesterfield Parkway	Malvem, PA	- w	1,320,625		7,019,034	1,349,954	6,989,705	8,339,659	2,255,284	1998	40 yrs.
600 Chesterfield Parkway	Malvern, PA		2,013,750 2,013,750	· · · · · · · · · · · · · · · · · · ·	8,135,324 8.096,150	2,050,555 2,037,813	8,098,519 8,072,087	10,149,074	2,360,776 2.337,776	1999 1999	40 yrs. 40 yrs.
700 Chesterfield Parkway 18 Great Valley Parkway	Malvern, PA	· · · · · · · · · · · · · · · · · · ·	394,036	3,976,221	99,539	397,293	4,072,504	4,469,796	823,431	1980	40 yrs. 40 yrs.
11 Great Valley Parkway	Malvern, PA		496,297	J,570,221	3,226,924	708,331	3,014,890	3,723,221	672,667	2001	40 yrs.
40 Liberty Boulevard	Malvem, PA		4,241,137	17,737,090.	2,182,842	4,241,167	19,919,901	24,161,068	5,326,655	1989	40 yrs.
2 West Liberty Boulevard	Malvern, PA	_	5,405,041	· · · —	11,415,086	5,405,042	11,415,085	16,820,127	400,621	2003	40 yrs.
10 Great Valley Parkway	Malvern, PA		823,540	1,341,376	256,839	832,244	1,589,510	2,421,754	135,101	2003	40 yrs.
10, 20 Liberty Boulevard	Malvern, PA Malvern, PA	. —	724,058 1,054,418	_	5,767,715 6,995,922	724,846 1,055,243	5,766,927 6,995,097	6,491,773 8,050,340	2,492,462 3.081,121	1985 1989	40 yrs. 40 yrs.
420 Lapp Road 14 Lee Boulevard	Malvern, PA Malvern, PA		664,282	_	5,855,867	643,892	5,876,257	6,520,149	2,676,923	1988	40 yrs.
500 Chesterfield Parkway	Malvern, PA		472,364	_	3,276,521	473,139	3,275,746	3,748,885	1,665,286	1988	40 yrs.
300-400 Chesterfield Parkway	Malvern, PA	_	937,212	_	5,616,170	937,942	5,615,440	6,553,382	2,587,331	1988	40 yrs.
40 Valley Stream Parkway	Malvem, PA	<del>-</del>	322,918	_	3,224,458	325,775	3,221,601	3,547,376	1,327,967	1987	40 yrs.
50 Valley Stream Parkway	Malvern, PA	., n, ±	323,971	–	2,694,447	323,792	2,694,627	3,018,418	1,147,301	1987	40 yrs.
20 Valley Stream Parkway	Malvern, PA	· · =	465,539	<u>-</u> .	5,726,197	466,413	5,725,323	6,191,736	2,874,409	1987 1983	40 yrs.
257-275 Great Valley Parkway 300 Technology Drive	Malvern, PA Malvern, PA		504,611 368,626	·	5,186,454 1,344,816	505,458 374,497	5,185,606 1,338,945	5,691,065 1,713,442	2,963,952 706,537	1985	40 yrs. 40 yrs.
277-293 Great Valley Parkway	Malvern, PA	**	530,729		2,330,242	531,534	2,329,436	2,860,971	1,322,006	1984	40 yrs.
311 Technology Drive	Malvern, PA	; · <del>-</del> ·	397,131		2,724,819	397,948	2,724,002	3,121,950	1,423,585	*1984	40 yrs.
7 Great Valley Parkway	Malvern, PA		176,435		5,036,553	. 177,317	5,035,671	5,212,988	2,814,524	1985	40 yrs.
55 Valley Stream Parkway	Malvern, PA	ika kana 📆	215,005		4,281,663	215,818	4,280,850	4,496,668	1,915,746	1983	40 yrs.
65 Valley Stream Parkway	Malvern, PA		381,544	·	7,597,364	382,361	7,596,548	7,978,908	3,914,905	1983	40 yrs.
508 Lapp Road 10 Valley Stream Parkway	Malvern, PA		331,392 509,075	3. <u> </u>	2,033,164 3,089,935	332,216 509,899	2,032,340 3,089,111	2,364,556 3,599,010	1,228,001° 1,714,026	1984 1984	40 yrs. 40 yrs.
333 Phoenixville Pike	Malvern, PA Malvern, PA	·	523,530	_	2,917,373	524,230	2,916,673	3,440,903	1,580,984	1985	40 yrs.
30 Great Valley Parkway	Malvern, PA		128,126		385,634	128,783	384,977	513,760	315,346	1975	40 yrs.
75 Great Valley Parkway	Malvem, PA	350,090	143,074		772,841	143,811	772,103	915,915	577,889	1977	40 yrs.
77-123 Great Valley Parkway	Malvern, PA	_	887,664		5,700,921	888,359	5,700,225	6,588,585	3,391,343	1978	40 yrs.
256 Great Valley Parkway	Malvern, PA	_	161,098	_	1,785,717	161,949	1,784,866	1,946,815 12,075,185	1,157,980 6,686,126	1980 1981	40 yrs.
205 Great Valley Parkway 12,14,16 Great Valley Parkway	Malvem, PA Malvem, PA	_	1,368,259 130,689	_	10,706,926 1,562,994	1,369,003 128,767	10,706,182 1,564,916	1,693,683	884,224	1981	40 yrs. 40 yrs.
155 Great Valley Parkway	Malvern, PA		625,147	<u> </u>	2,627,280	626,068	2,626,359	3,252,427	1,541,665	1981	40 yrs.
510 Lapp Road	Malvern, PA	Ý •	356,950	_	926,587	357,751	925,786	1,283,537	572,178	-1983	40 yrs.
60 Morehall Road	Malvern, PA		865,424	9,285,000	4,971,296	884,974	14,236,746	15,121,720	6,358,326	1989	40 yrs.
5 Country View Road	Malvern, PA	•	785,168	4,678,632	1,178,927		5,856,492	6,642,727	1,953,040	". 1985	40 yrs.
7550 Meridian Circle 8 Stow Road	Maple Grove, MN	. —	513,250 172,600	2,901,906 1,704,436	222,006 188,555	513,250 172,945	3,123,911 1,892,646	3,637,161 2.065,591	721,019 651,714	1989 1988	40 yrs.
10 Stow Road	Marlton, NJ H	`	147,000	1,451,536	527,956	147,318	1,979,174	2,065,391	962,254	1988	40 yrs. 40 yrs.
12 Stow Road	Marlton, NJ		103,300	1,021,036	342,868	103,618	1,363,587	1,467,205	588,823	1988	40 yrs.
14 Stow Road	Marlton, NJ		93,100	920,336	431,684	93,418	1,351,703	1,445,120	576,452	1988	40 yrs.
701A Route 73 South	Marlton, NJ		264,387	3,772,000	3,501,001		7,265,645	7,537,388	. 3,312,275	1987.	40 yrs.
701C Route 73 South	Marlton, NJ		84,949	1,328,000	422,106	96,161	1,738,894	1,835,055	672,972	1987	40 yts.
400 Lippincott Drive	Mariton, NJ		69,402	1 620 871	3,671,296	2317,799	3,422,899	3,740,699	910,493	1999 1990	40 yrs.
406 Lippincott Drive 301 Lippincott Drive	Marlton, NJ Marlton, NJ	<u> Ξ</u>	321,455 1,069,837	1,539,871 4,780,163	888,175 1,469,444	327,554 1,069,838	2,421,947 6,249,607	2,749,501 7,319,444	975,306 2,078,211	1988	40 yrs. 40 yrs.
303 Lippincott Drive	Marlton, NJ	P =	1,069,837	4,780,163	2.194.896	1,069,838	6,975,059	8.044,896	2,276,639	1988	40 yrs.
901 Route 73	Marlton, NJ		334,411	2,733,314	894,989	334,411	3,628,303	3,962,714	1,045,261	1985	40 yrs.
404 Lippincott Drive	Marlton, NJ		131,896	· · · · · · · · · · · · · · · · · · ·	1,653,262	131,896	1,653,262	1,785,158	657,060	1997	40 yrs.
402 Lippincott Drive	Marlton, NJ	·. —	131,896		1,736,907	131,896	1,736,907	1,868,803	682,815	1997	40 yrs.
9 Stow Road	Mariton, NJ	<del>-</del>	652,642	1,765,065	922,394	654,779	2,685,323	3,340,101	766,449	1989	40 yrs.
75 Brookfield Oaks Drive 65 Brookfield Oaks Drive	Mauldin, SC Mauldin, SC		419,731 557,174	_	2,444,403 2,728,911	430,909 506,318	2,433,225 2,779,768	2,864,134 3,286,086	68,857 67,739	2003 2004	40 yrs.
8301 West Parkland Court	Milwaukee, WI	_	358,442	3,233,707	532,301	358,442	3,766,008	4,124,449	971,466	1982	40 yrs. 40 yrs.
7800 N. 113th Street	Milwaukee, WI	_	1,711,964	6,847,857	392,036	1,711,964	7,239,893	8,951,858	1,726,879	1991	40 yrs.
11950 W. Lake Park Drive .	Milwaukee, WI	-	391,813	2,340,118	539,517	394,938	2,876,510	3,271,448	719,848	1986	40 yτs.
11400 W. Lake Park Drive	Milwaukee, WI	_	439,595	2,357,904	234,658	443,101	2,589,056	3,032,157	521,325	1986	40 yrs.

		lnitia	l Cost	Costs Capitalized	zed Gross Amount Carried at End of Period		od		Date of	
Project Location Encu	ımbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
OPERATING PROPERTIES							*			
11425 W. Lake Park Drive Milwaukee, WI	· . <del></del>	382,256	2,350,619	957,723	385,305	3,305,293	3,690,598	982,930	1987	40 yrs.
11301 W. Lake Park Drive Milwaukee, WI 11900 W. Lake Park Drive Milwaukee, WI	. <del></del>	614,477	2,626,456	101,328	619,465 350,628	2,722,797	3,342,261	542,487 910,149	1987	40 yrs.
11900 W. Lake Park Drive Milwaukee, WI 11414 West Park Place Milwaukee, WI	· · · =	347,853 234,443	2,396,887	1,057,251 10,202,898	491,531		3,801,992 10,437,341	2,308,691	1987. 2001	40 yrs. 40 yrs.
11520 West Calumet Road Milwaukee, WI	,	341,698	1,527,548	78,494	341,698	1,606,042	1,947,740	281.217	1995	40 yrs.
12100 West Park Place Milwaukee, WI		534,470	3,239,389	565,184	532,370	3,806,673	4,339,043	779,371	1984	40 yrs.
10855 West Park Place Milwaukee, WI	t tota <u>—</u>	122,894		3,045,358	424,710	2,743,541	3,168,251	447,822	2002	40 yrs.
11100 West Liberty Drive Milwaukee, WI	<del></del> .	1,800,000	·	7,690,908	1,801,024	7,689,884	9,490,908	730,540	2003	40 yrs.
11050 West Liberty Drive Milwaukee, WI	·. —	— :	· · · ·	3,813,517	914,760	2,898,757	3,813,517	25,802	2005	40 yrs.
4700 Nathan Lane North Minneapolis, MN	—	1,501,308	8,446,083	225,056	1,501,308	8,671,139	10,172,447	1,567,239	1996	40 yrs.
4600 Nathan Lane Minneapolis, MN 12501 & 12701 Whitewater Drive Minnegonka, MN		1,063,558 2,175,209	3,948.085	6,683,083 7,249,452	1,038,197 2,177,953	6,708,444 11,194,793	7,746,641 · · · · · · · · · · · · · · · · · · ·	1,363,486 788,290	2002 1986	40 yrs. 40 yrs.
5600 & 5610 Rowland Road Minnetonka, MN	_	828,650	7,399,409	1,595,422	829,263	8,994,217	9,823,481	2,892,234	1988	40 yrs.
5400-5500 Feltl Road Minnetonka, MN	_	883,895	7,983,345	2,275,102	883,895	10,258,447	11,142,342	2,480,922	1985	40 yrs.
10300 Bren Road Minnetonka, MN		344,614	3,110,477	894,944	344,614	4,005,421	4,350,034	857,897	1981	40 yrs.
3400 Lakeside Drive Miramar, FL		2,022,153	11,345,881	1,214,422	2,022,153	12,560,302	14,582,456	3,135,197	1990	40 yrs.
3450 Lakeside Drive Miramar, FL		2,022,152	11,357,143	2,078,093	2,022;152	13,435,235	15,457,387	3,478,905	1990	40 yrs.
3350 SW 148th Avenue Miramar, FL	_	2,960,511	-	19,294,616	2,980,689 1,098,904		22,255,127 7,330,090	4,341,655	2000 2004	40 yrs.
300 Fellowship Road Mt Laurel, NJ 302 Fellowship Road Mt Laurel, NJ	_	1,512,120		7,330,090 2,801,598	539,060	6,231,186 3,774,658	4,313,718	420,257 88,186	2004	40 yrs. 40 yrs.
3001 Leadenhall Road Mt Laurel, NJ		1,925,719	191,390	10,965,396	1,936,489	11,146,016	13,082,505	879,074	2001	40 yrs.
350 Fellowship Road Mt Laurel, NJ	·	2,960,159	1,449,611	3,535,489	2,966,686	4,978,573	7,945,259	9,251	2006	40 yrs.
4001 Leadenhall Road Mt. Laurel, NJ		3,207,885	391,167	18,844,592	2,784,694	19,658,950	22,443,644	2,744,761	2002	40 yrs.
3000 Atrium Way Mt. Laurel, NJ	-	500,000	4,500,000	4,498,462	512,018	8,986,445	9,498,462	3,980,005	1987	40 yrs.
11000, 15000 Commerce Parkway Mt. Laurel, NJ	: 77.	310,585	4,394,900		311,950	4,648,355	4,960,305	1,942,493	1985	40 yrs.
12000, 14000 Commerce Parkway Mt. Laurel, NJ 16000, 18000 Commerce Parkway Mt. Laurel, NJ	· · · · · · · · · · · · · · · · · · ·	361,800 289,700	3,285,817 2,512,683	783,587 573,915	362,855 290,545	4,068,349 3,085,753	4,431,204 3,376,298	1,426,020	1985 1985	40 yrs. 40 yrs.
1300 Route 73 North Mt. Laurel, NJ	14 <u>- I</u>	449,400	3,074,850	1,704,275	450,558	4,777,967	5,228,525	1 530 369	1988	40 yrs.
6000 Commerce Parkway Mt. Laurel, NJ	· · · · — · ·	234,151	2,022,683	925,491	234,151	2,948,174	3,182,325	811,584	1985	40 yrs.
7000 Commerce Parkway Mt. Laurel, NJ		260,014	2,236,684	427,949	260,014	2,664,633	2,924,647	746,489	1984	40 yrs.
8000 Commerce Parkway Mt. Laurel, NJ	.4. —	234,814	1,995,098	317,849		2,312,947		604,374	1983	40 yrs.
9000 Commerce Parkway Mt. Laurel, NJ 1000 Briggs Road Mt. Laurel, NJ	_	286,587 288,577	2,474,820 2,546,537	595,749 1,450,255	286,587 288,577	3,070,569 3,996,792	3,357,156 4,285,369	1,010,672	1983 1986	40 yrs. 40 yrs.
1025 Briggs Road Mt. Laurel, NJ	773,515	430,990	3,714,828	1,320,195	430,990	5,035,023	5,466,013	1,422,723	1987	40 yrs. 40 yrs.
1020 Briggs Road Mt. Laurel, NJ	_	494,334		3,162,455		3,087,606	3,656,789	825,078	1999	40 yrs.
2000 Crawford Place Mt. Laurel, NJ		310,831	2,797,744	2,814,041	310,831	5,611,785	5,922,616	2,067,243	1986	40 yrs.
5000 Dearborn Court Mt. Laurel, NJ		1,057,763	4,191,827	531,794	1,057,763	4,723,621	5,781,384	1,129,274	1988	40 yrs.
1001 Briggs Road Mt. Laurel, NJ 1015 Briggs Road Mt. Laurel, NJ	<del></del> .	701,705 356,987	3,505,652	2,115,996	701,705 470,659	5,621,649	6,323,354 4,023,080	1,805,100 792,151	1986 2000	40 yrs.
17000 Commerce Parkway Mt. Laurel, NJ		144,515		3,666,093 3,010,679	144,515	3,552,421 3,010,679	3,155,194	691,482	2000	40 yrs. 40 yrs.
9401-9443 Science Center Drive New Hope, MN	25.5	431,295	3,888,684	480,123	510,064	4,290,038	4,800,102	1,115,258	··· 1989	40 yrs.
6 Terry Drive Newtown, PA		622,029	2,228,851	828,769	622,205	3,057,443	3,679,648	824,454	1981	40 yrs.
550-590 Hale Avenue Oakdale, MN		765,535	3,488,754	510,819	766,390	3,998,718	4,765;107	847,827	1996	40 yrs.
1879 Lamont Avenue Odenton, MD	<del></del>	1,976,000	8,099,579	3,032,136	2,011,030	11,096,685	13,107,715	524,714	2004	40 yrs.
350 Winmeyer Avenue Odenton, MD 9600 Satellite Boulevard Orlando, FL	4. <del></del>	1,778,400 252,850	7,289,165 1,297,923	1,924,628 62,116	1,809,927 252,850	9,182,266 1,360,039	1,612,889	388,054 336,709	1989	40 yrs. 40 yrs.
9700 Satellite Boulevard Orlando, FL	· · · · · · · · · · · · · · · · · · ·		1,297,923	350,999		1,497,545	1,902,907	387,847	1989	40 yrs.
1902 Cypress Lake Drive Orlando, FL	· · · · · ·	523,512	3,191,790	880,341	538,512	4,057,131	4,595,643	1,116,154	1989	40 yrs.
9550 Satellite Boulevard Orlando, FL	· · · · · · · · · · · · · · · · · · ·	574,831		2,330,526	587,319	2,318,038	2,905,357	594,480	1999	40 yrs.
10511 & 10611 Satellite Boulevard Orlando, FL	. —	517,554	2,568,186	405,635	522,991	2,968,384	3,491,375	848,378	1985	40 yrs.
1400-1440 Central Florida Parkway Orlando, FL 2216 Directors Row Orlando, FL	_	518,043	2,561,938	337,852	518,043 453,918	2,899,790	3,417,833 3,053,599	713,673 555,992	1962 · 1998	40 yrs.
3701-3727 Vineland Road Orlando, FL	_	453,918 767,929	2,572,202 2,096,504	27,479 430,124	767,929	2,599,681 2,526,628	3,294,557	549,972	1985	40 yrs. 40 yrs.
2400 South Lake Orange Drive Orlando, FL	_	385,964		2,461,057	642,427	2,204,594	2,847,021	355,814	2001	40 yrs.
6501 Lee Vista Boulevard Orlando, FL	_	903,701	_	5,560,142	925,671	5,538,172	6,463,843	746,789	2001	40 yrs.
2416 Lake Orange Drive Orlando, FL	_	535,964		3,166,980	704,800	2,998,143	3,702,944	741,196	2002	40 yrs.
10771 Palm Bay Drive Orlando, FL		664,605	_	2,362,814	. 685,383	2,342,035	3,027,419	299,543	2001	40 yrs.
10003 Satellite Boulevard Orlando, FL 1090 Gills Drive Orlando, FL	_	680,312 878,320	2,120,754 2,558,833	1,498,831 1,872,262	680,312 878,320	3,619,585 4,431,096	4,299,897 5,309,415	366,260 310,566	2003 2003	40 yrs. 40 yrs.
2202 Taft-Vineland Road Orlando, FL		0/0,520	2,330,033	6,630,654	1,283,713	5,346,941	6,630,654	565,267	2003	40 yrs. 40 yrs.
South Center Land-Phase II Orlando, FL	<u>-</u>	838,853		4,047,910	767,953	4,118,811	4,886,763	36,846	2006	40 yrs.
7315 Kingspointe Parkway Orlando, FL		1,931,697	6,388,203	2,479,134	1,932,004	8,867,030	10,799,034	589,186	2004	40 yrs.
2351 Investors Row Orlando, FL		2,261,924	7,496,249	124,169	2,263,211	7,619,131	9,882,342	376,159	2004	40 yrs.

		Initial Cost	Costs Capitalized Subsequent	Gross Amou	int Carried at End of Per	lod	Accumulated	Date of Construction	Depreciable
Project Location	EncumbrancesLane	Building	to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Depreciation 12/31/06	or Acquisition	life (years)
OPERATING PROPERTIES 2256 Taft-Vineland Road Orlando, FL	- 467.		2,462,307	825,673	2.103.930	2.929.603	104,125	2005	40 yrs.
1950 Summit Park Drive Orlando FL	- 2,573.		531,233	2,583,667		20,583,579	791,297	2005	40 yrs.
1958 Summit Park Drive Orlando, FL	- 2,573,	961 11,206,937	8,761,919	2,583,216	19,959,601	22,542,817	892,725	2005	40 yrs.
6200 Lee Vista Boulevard Orlando, FL	1,423,			1,435,301	6,472,287	7,907,588	67,921	2006	40 yrs.
7022 TPC Drive Orlando, FL 7100 TPC Drive Orlando, FL	= 1,443, = 1,431,		357,904 203,122	1,457,286 1,445,807	7,189,688 8,137,144	8,646,973 9,582,951		2006	40 yrs. 40 yrs.
7101 TPC Drive Orlando, FL	- 1,553,		225,850	1,570,863	5,510,023	7,080,886	_	2006	40 yrs.
N26 W23445 Paul Road Pewaukee, WI	= 561,	904 1,928,064	113,241	561,904	2,041,305	2,603,209	357,110	1985	40 yrs.
8801 Tinicum Boulevard Philadelphia, PA	- 2,474,		43,598,952	125,087	45,947,896	46,072,983	12,300,012	1997	40 yrs.
3 Franklin Plaza Philadelphia, PA 4751 League Island Boulevard Philadelphia, PA	. – 2,483, – 992,		32,150,134 6,753,197	2,514,519 1,022,081	32,118,759 7,056,006	34,633,278 8,078,087	6,127,052 573,955	1999 2003	40 yrs. 40 yrs.
1 Crescent Drive Philadelphia, PA	- 567,		12,752,342	347,892	12,971,730	13,319,622	57,493	2004	40 yrs.
9801 80th Avenue Pleasant Prairie, W			62,495	1,689,726	7,999,640	9,689,366	1,617,933	1994	40 yrs.
2250 Hickory Road Plymouth Meeting		851 9,175,555	2,338,832 1,702,547	1,032,507	11,497,732	12,530,239	2,838,418 1,853,696	1985 1983	40 yrs.
2905 Northwest Boulevard Plymouth, MN 2800 Campus Drive Plymouth, MN	- 516, - 395,		1,008,452	516,920 395,366	6,348,890 4,562,964	6,865,809 4,958,330	1,357,056	1985	40 yrs. 40 yrs.
2955 Xenium Lane Plymouth, MN	- 151,	238 1,370,140	401,075	151,238	1,771,215	1,922,453	605,963	1985	40 yrs.
2920 Northwest Boulevard Plymouth, MN	- 392,		655,417	384,235	4,096,886	4,481,121	1,151,892	. 1997	40 yrs.
14630-14650 28th Avenue North Plymouth, MN 2800 Northwest Boulevard Plymouth, MN	- 198, - 1,934,		644,591 484,440	198,205 1,934,438	2,438,013 11,436,943	2,636,218 13,371,380	669,648 2,695,022	1978 1995	40 yrs. 40 yrs.
9600 54th Avenue Plymouth, MN	- 332,		1,075,534	332,317	4.153,354	4,485,671	931,060	1998	40 yrs.
1500 SW 5th Court Pompano Beach F	L – 972,	232 3,892,085	245,724	972,232	4,137,810.	5,110,041	987,730	1957	40 yrs.
1651 SW 5th Court Pompano Beach, F	L – 203,	247 811,093	126,108	203,247	937,202	1,140,449	283,351	1990 1990	40 yrs.
1601 SW 5th Court Pompano Beach, F 1501 SW 5th Court Pompano Beach, F		247 811,093 247 811,093	403,403 40,396	203,247 203,247	1,214,496	1,417,743 1.054,737	301,897 204,419	1990	40 yrs. 40 yrs.
1400 SW 6th Court Pompano Beach F			308,055	1,157,049	4,929,010	6,086,060	1,155,658	1986	40 yrs.
1405 SW 6th Court Pompano Beach, F			126,972	392,138	1,692,759	2,084,897	403,837	1985	40 yrs.
595 SW 13th Terrace Pompano Beach, F 601 SW 13th Terrace Pompano Beach, F			95,541 151,781	359,933 164,413	1,532,657 807,714	1,892,590 972,127	356,011 184,683	1984 1984	40 yrs. 40 yrs.
605 SW 16th Terrace Pompano Beach F			307,582		1,546,507	1,856,684	319,660	1965	40 yrs.
4300 Carolina Avenue Richmond, VA	- 2,007,	717 14,927,608	555,417	2,009,136	15,481,606	17,490,742	4,505,494	1985	40 yrs.
301 Hill Carter Parkway 4001 Carolina Avenue Richmond, VA	- 659, - 29.		625 305,691	659,456 29,443	4,836,635 521.605	5,496,091 551,048	1,430,892 122,714	1989 1935	40 yrs. 40 yrs.
5600-5626 Eastport Boulevard Richmond, VA	- 489, - 489,		389,883	489,941	3,982,783	4,472,724	1,217,321	1989	40 yrs.
5650-5674 Eastport Boulevard Richmond, VA	- 644,	384 4,025,480	235,079	644,384	4,260,559	4,904,943	1,393,734	1990	40 yrs.
5700 Eastport Boulevard Richmond, VA	- 408, - 310,		803,670 567,636	408,729 310,854	3,501,018 2,847,233	3,909,747 3,158,087	984,143 768,190	1990 1973	40 yrs. 40 yrs.
4101-4127 Carolina Avenue Richmond, VA 4201-4261 Carolina Avenue Richmond, VA	- 693,		1,305,385	693,203	6,388,878	7,082,081	1,911,966	1975	40 yrs.
4263-4299 Carolina Avenue Richmond, VA	<b>– 256,</b>	203 2,549,649	1,647,276	256,203	4,196,925	4,453,128	1,163,759	1976	40 yrs.
4301-4335 Carolina Avenue Richmond, VA Richmond, VA	; = 223,		1,920,216 880,278	223,696 325,303	3,560,651	3,784,347 3,591,138	546,076 1,282,851	1978 1979	40 yrs.
4337-4379 Carolina Avenue Richmond, VA 4501-4549 Carolina Avenue Richmond, VA	- 325, - 486,		471,129	486,166	3,265,835 4,036,340	4,522,506	1,177,796	~<1981	40 yrs. 40 yrs.
4551-4593 Carolina Avenue Richmond, VA	- 474,	360 3,478,646	272,695	474,360	3,751,341	4,225,701	1,087,264	1982	40 yrs.
4601-4643 Carolina Avenue Richmond, VA	652,		507,154		5,291,829	5,944,284	1,738,991	1985	40 yrs.
4645-4683 Carolina Avenue Richmond, VA 4447-4491 Carolina Avenue Richmond, VA	- 404, - 454,		1,079,890 293,897	404,616 454,056	4,047,077 3,023,639	4,451,693 3,477,695	1,760,935 958,366	1985 1987	40 yrs. 40 yrs.
4401-4445 Carolina Avenue Richmond, VA	- 615,	038 4,510,272	397,983	615,038	4,908,255	5,523,293	1,459,049	1988	40 yrs.
2300 East Parham Road Richmond, VA Richmond, VA	4.221, • 705,	947 1,011,088	2,443 4,718,370	221,947 720,100	1,013,531 4,703,930	1,235,478 5,424,030	325,610 1,653,017	1988 1996	40 yrs. 40 yrs.
5601-5659 Eastport Boulevard Richmond, VA 5900 Eastport Boulevard Richmond, VA	10 – 676,		4,818,232	687,898	4,806,995	5,494,893	1,265,045	1997	40 yrs.
4717-4729 Eubank Road Richmond, VA	* 449,	447 3,294,697	546,131	452,263	3,838,011	4,290,274	1,127,629	1978	40 yrs.
4263F-N. Carolina Avenue Richmond, VA	- 91, - 261,	476 -	1,643,294	91,599	1,643,171	1,734,770	446,236	1975 1989	40 yrs.
510 Eastpark Court Richmond, VA 520 Eastpark Court Richmond, VA	486,		316,688 336,701	262,210 486,598	2,427,312 4,419,803	2,689,523 4,906,401	800,917 1,203,497	1989	40 yrs. 40 yrs.
5701-5799 Eastport Boulevard Richmond, VA	- 694,	644 -	5,651,198	700,503	5,645,340	6,345,842	1,630,865	1998	40 yrs.
530 Eastpark Court Richmond, VA: 3829-3855 Gaskins Road Richmond, VA	- 266, - 364,		3,068,901 39,764	334,772 364,165	3,001,012 3,303,879	3,335,784 3,668,044	1,026,669 728,169	1999 1988	40 yrs. 40 yrs.
3829-3855 Gaskins Road Richmond, VA 10800 Nuckols Boulevard Richmond, VA	- 364, - 1,432,		14,420,839	1,794,162	14,059,139	15,853,301	2,428,731	. 2000	40 yrs. 40 yrs.
100 Westgate Parkway Richmond, VA	- 1,140,	648 101,824	8,408,649	1,456,084	8,195,037	9,651,121	1,230,590	2001	40 yrs.
200 Westgate Parkway Richmond, VA	- 1,623,		5,900,380	1,072,797	6,451,195	. 7,523,992	923,936	2002 2005	40 yrs.
1001 Boulders Parkway Richmond, VA 7400 Beaufont Springs Drive Richmond, VA	- 2,073, - 808,		892,592 837,566	2,079,643 810,743	6,521,484 8,109,253	8,601,127 8,919,996	257,425 304,103	2005	40 yrs. 40 yrs.
1100 Boulders Parkway Richmond, VA	- 1,276,	936 12,052,192	709,835	1,280,662	12,758,301	14,038,963	181,763	2005	40 yrs.
2020 US Highway 301 South Riverview, FL	- 1,233,		1,144	1,233,800	13,609,469	14,843,268	158,254	2006	40 yrs.
6532 Judge Adams Road Rock Creek, NC 6530 Judge Adams Road Rock Creek, NC	- 354, - 305,		3,740,561 4,458,256	399,988 335,061	3,695,477 4,429,015	4,095,464 4,764,076	996,239 903,045	1997 1999	40 yrs. 40 yrs.
6509 Franz Warner Parkway Rock Creek, NC	- 360,		2,829,679	372,494	2,817,679	3,190,173	506,475	2001	40 yrs.
38100 Ecorse Road Romulus, MI	- 955,		8,900,259	853,063	9,002,259	9,855,322	1,360,828	2000	40 yrs.
38000 Ecourse Road Romulus, MI 6505 Cogswell Road Romulus, MI	- 807. - 594.		12,732,352 17,282,074	1,053,337 4,195,047	12,486,675 13,681,551	13,540,012 17,876,598%	2,529,890 2,078	2001	40 yrs. 40 yrs.
38100 Ecorse Road Expansion Romulus, MI			1,538,262		1,538,262	1,538,262	28,999	2005	40 yrs.

			lniti	al Cost	Costs Capitalized	Gross An	nount Carried at En	of Period		Date of	
Project	Location	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements	Building and Improvements	Total 12/31/2006	Accumulated Depreciation 12/31/06	Construction or Acquisition	life (years)
OPERATING PROPERTIES			·								
8501 East Raintree Drive	Scottsdale, AZ	. (3) -	4,076,412	46	27,576,974	4,115,137	27,538,249	31,653,386	459,720	2005	_ 40 yrs.
26911-26957 Northwestern Highway 6950 Harbor View Blvd	Southfield, MI Suffolk, VA	, <u>-</u>	7,799,515 929,844	66,268,817	8,771,128 6,197,285	7,799,515 794,848	75,039,945 6,332,282	82,839,460 7,127,129	18,643,965 96,284	1985 2004	40 yrs. 40 yrs.
13650 NW 8th Street	Sunrise, FL		558,223	2,171,930	99,234	558,251	2,271,136	2,829,387	624,170	1991	40 yrs.
13630 NW 8th Street	Sunrise, FL		659,797	2,596,275	772,671	659,825	3,368,917	4,028,742	883,443	1991	40 yrs.
1301 International Parkway	Sunrise, FL	-	5,100,162	24,219,956	1,264,535	5,100,791	25,483,861	30,584,653		2006	40 yrs.
5501-5519 Pioneer Park Boulevard 5690-5694 Crenshaw Street	Tampa, FL Tampa, FL		162,000 181,923	1,613,000	637,115 217,470	262,416 181,923	2,149,700 2,029,967	2,412,115 2,211,890	605,615 598,290	1981 ` 1979	40 yrs.
3102,3104,3110 Cherry Palm Drive	Tampa, FL	-	503,767	2,787,585	1,948,416	982,207	4,257,561	5,239,768	1,234,238	1986	40 yrs. 40 yrs.
8401-8408 Benjamin Road	Tampa, FL	-	789,651	4,454,648	1,974,397	769,789	6,448,907	7,218,696	2,203,217	1986	40 yrs.
3501 Riga Boulevard	Tampa, FL	-	617,289	3,048,379	454,271	617,289	3,502,650	4,119,939	1,026,027	1987	40 утѕ.
111 Kelsey Lane 7930, 8010-20 Woodland Center Boulevard	Tampa, FL		359,540 1,408,478	1,461,850 5,247,246	934,298 911,481	359,540 1,408,478	2,396,148 6,158,727	2,755,688 7,567,205	729,735 1,671,637	1990 1990	40 yrs. 40 yrs.
7920 Woodland Center Boulevard	Tampa, FL		1,382,648	2,445,444	(276,436)	1,082,648	2,469,008	3,551,656	607,836	1997	40 yrs.
8154-8198 Woodland Center Boulevard	Tampa, FL	•	399,088	2,868,834	441,572	399,088	3,310,406	3,709,494	967,807	1988	40 yrs.
8112-42 Woodland Center Boulevard	Tampa, FL	•	513,263	3,230,239	662,940	513,263	3,893,180	4,406,442	889,518	1995	40 yrs.
8212 Woodland Center Boulevard 131 Kelsey Lane	Tampa, FL Tampa, FL		820,882 511,463	2,322,720	4455 201	820,882 559,527	2,336,931 4,407,227	3,157,813	563,816	1996 1985	40 yrs.
7724 Woodland Center Boulevard	Tampa, FL	· :	235,893	. Wij I	4,455,291 2,285,235	235,894	2,285,234	4,966,754 2,521,128	1,699,463	1985 č. 1998	40 yrs. 40 yrs.
7802-50 Woodland Center Boulevard	Tampa, FL		357,364	-	2,711,761	506,949	2,562,177	3,069,125	1,019,925	1999	40 yrs.
7852-98 Woodland Center Boulevard	Tampa, FL		357,364	POSTELLIE.	2,708,532	506,949	2,558,947	3,065,896		1999	40 yrs.
8921 Brittany Way 5250 Eagle Trail Drive	Tampa, FL	<del>.</del>	224,369	1,063,882	965,576 3,581,057	254,493 952,860	1,999,334	2,253,827 4,533,916	739,406	1998 1998	40 yrs.
7725 Woodland Center Boulevard	Tampa, FL Tampa, FL		್ಷ: 952,860 553,335	1966 x 2	3,351,584	771,501	3,381,037	3,904,919	637,170	1999	40 yrs. 40 yrs.
8001 Woodland Center Boulevard	Tampa, FL	4	350,406	· 17●175 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	2,488,771	438,061	2,401,117	2,839,178		1999	40 yrs.
4630 Woodland Corporate Boulevard	Tampa, FL		943,169		12,592,708	1,560,099	11,975,778	13,535,877	2,279,782	2000	40 yrs.
701-725 South US Hwy 301	Tampa, FL	<del></del>	419,683		3,817,508	661,680	3,575,511	4,237,191	1,130,146	2000	40 yrs.
4502 Woodland Corporate Boulevard 9001-9015 Brittany Way	Tampa, FL Tampa, FL	94 E	209.841	5 Jr	4,005,900 1,575,906	1,071,535 364,514	2,934,365 1,421,234	4,005,900 1,785,748	528,300 334,370	1999 2000	40 yrs. 40 yrs.
4508 Woodland Corporate Boulevard	Tampa, FL	·, · _	498,598		3,057,752	556,887	2,999,463	3,556,350	573,747	2000	40 yrs.
7622 Bald Cypress Place	Tampa, FL	· -		;	1,305,584	300,000	1,005,584	1,305,584	171,340	2000	40 yrs.
901-933 US Highway 301 South	Tampa, FL	<del>-</del>	500,391	<i>.</i> –	4,032,028	840,314	3,692,105	4,532,419	978,648	2001	40 yrs.
4503 Woodland Corporate Boulevard 4505 Woodland Corporate Boulevard	Tampa, FL Tampa, FL	-	-	_	3,454,328 3,110,391	619,913 716,594	2,834,415 2,393,797	3,454,328 3,110,391	414,660 528,279	2002 2002	40 yrs. 40 yrs.
4511 Woodland Corporate Boulevard	Tampa, FL	_	Ī	; <u> </u>	2,840,466	686,594	2,153,872	2,840,466	386,162	2002	40 yrs.
7621 Bald Cypress Place (Bldg N)	Tampa, FL		_	, –	1,482,613	447,498	1,035,115	1,482,613	121,194	2001	40 yrs.
4520 Seedling Circle	Tampa, FL	-	854,797	42,131	2,721,233	854,797	2,763,364	3,618,161	185,881	2003	40 yrs.
501 US Highway 301 South 9002-9036 Brittany Way	Tampa, FL Tampa, FL		898,884 492,320	.: -	3,499,853 3,964,055	900,508 899,284	3,498,229 3,557,092	4,398,737 4,456,375	261,909 343,327	2004 2004	40 yrs. 40 yrs.
8900-34 Brittany Was	Tampa, FL	. –	537,194	F" = =	4,248,195	978,019	3,807,371	4,785,389	14.913	2004	40 yrs.
200-34 Kelsey Lane	Tampa, FL		330,097		3,623,009	933,362	3,019,744.	3,953,106	90,303	2005	40 yrs.
8725 Henderson Road	Tampa, FL		3,171,906	19,126,156	(3,957)	3,167,787	19,126,318	22,294,105	162,502	2006	40 yrs.
8735 Henderson Road 8705 Henderson Road	Tampa, FL Tampa, FL	· · · · · · · =	3,170,247 4,309,467	18:749,873 23,688,189	(18,416) 21,765	3,166,130 4,303,870	18,735,573 23,715,550	21,901,703 28,019,421	160,241 299,401	2006 2006	40 yrs. 40 yrs.
8715 Henderson Road	Tampa, FL	· · · · · · ·	3,348,258	18,325,427	(4,177)	3,343,910	18,325,599	21,669,509	133,957	2006	40 yrs.
8745 Henderson Road	Tampa, FL		2,053,105	11,158,441	11,901	2,050,439	11,173,008	13,223,447	95,859	2006	40 yrs.
7851-7861 Woodland Center Blvd	Tampa, FL	<del>_</del>	549,043		95,559	548,905	2,337,901	2,886,806	17,050	2006	40 yrs.
1334 Maplelawn Road 3432 Holland Road	Troy, MI Virginia Beach, VA	_	124,296 173,527	1,122,802 790,515	54,070 2,462	124,300 173,527	1,176,868 792,977	1,301,168 966,504	275,534 234,111	. 1983 1989	40 yrs. 40 yrs
2809 South Lynnhaven Road	Virginia Beach, VA		953,590	6,142,742	1,100,609	953,590	7,243,352	8,196,941	1,822,981	1987	40 yrs. 40 yrs.
200 Golden Oak Court	Virginia Beach, VA		1,116,693	6,770,480	1,126,390	1,116,693	7,896,870	9,013,562	2,005,654	1988	40 yrs.
208 Golden Oak Court	Virginia Beach, VA		965,177	6,728,717	1,129,993	965,177	7,858,710	8,823,888	2,052,497	1989	40 yrs.
484 Viking Drive 629 Phoenix Drive	Virginia Beach, VA Virginia Beach, VA		891,753 371,694	3,607,890 2,108,097	553,685 243,169	891,753 371,694	4,161,575 2,351,266	5,053,327 2,722,960	1,028,787 559,043	1987 1996	40 yrs. 40 yrs.
5700 Cleveland Street	Virginia Beach, VA		700,112	9,592,721	1,917,901	700,564	11,510,169	12,210,734	3,008,461	1989	40 yrs.
1457 Miller Store Road	Virginia Beach, VA		473,689	2,663,045	603,352	474,746	3,265,341	3,740,086	285,752	2003	40 yrs.
11020 West Plank Court	Wauwatosa, WI	-	464,246	3,230,511	(519,943)	464,246	2,710,568	3,174,814	. 533,083	1985	40 yrs.
825 Duportail Road 1500 Liberty Ridge	Wayne, PA Wayne, PA		5,536,619 8,287,555	16,179,213	1,061,808 31,280,987	5,539,281 11,636,499	17,238,360 27,932,043	22,777,641	2,848,284 4,177,639	1979 2002	40 yrs. 40 yrs.
1200 Liberty Ridge 1200 Liberty Ridge Drive	Wayne, PA	· · · · · -	6,287,333		8,829,577	5,223,660	9,821,584	15,045,244	2,393,281	2002	40 yrs. 40 yrs.
11300-90 West Theodore Trecker Way	West Allis, WI	*	500,565	1,591,678	630,627	505,972	2,216,897	2,722,870	48,651	2005	40 yrs.
11548 West Theodore Trecker Way	West Allis, WI	•	660,068	4,640,578	44,656	663,766	4,681,537	5,345,302	181,960	2005	40 yrs.
11420 West Theodore Trecker Way	West Allis, WI		348,146	2,057,483	27,202	350,008	2,082,824	2,432,831	80,727	2005 1988	40 yrs.
400-500 Brandywine Parkway 600 Brandywine Parkway	West Chester, PA West Chester, PA	angangala ng	845,846 664,899	6,809,025 5,352,410	453,832 842,826	845,846 664,899	7,262,857 6,195,236	8,108,703 6,860,135	1,742,042	1988	40 yrs. 40 yrs.
905 Airport Road	West Chester, PA	- · · ·	1,715,000	5,185,000	1,429,527	1,735,012	6,594,515	8,329,527	2,301,424	1988	40 yrs.
Liberty Square Retail Blocks	West Malling, UK		559,590	5,113,902	5,761,846	1,408,957	10,026,381	11,435,338	346,459	2006	40 yrs.
3612 La Grange Parkway	Williamsburg, VA	,	1.279.834		5,687,985	887,234	4,800,752	5,687,985	284,122	2003	40 yrs.
7805 Hudson Road Subtotal Operating Real Estate	. Woodbury, MN	S 92 401 472		\$1,763,051,027	10,337,053	1,385,739	10,231,149	11,616,887	1,940,761 \$786,778,264	2002	40 yrs.
Subtotal Operating Real Estate		3 72,401,473	3000,137,732	01,102,031,027	2,030,763,132	3000,300,392	20,100,200,499	JT, TUZ, 171,891	3100,110,204		

			Initial Co	ost	Costs Capitalized		Gross A	mount Carried at End	of Period			Date of	
Project	Location '	Encumbrances	Land	Building	Subsequent to Acquisition	Land and Improvements		Building and Improvements			Accumulated Depreciation 12/31/06	Construction or Acquisition	Depreciable life (years)
DEVELOPMENT PROPERTIES	7	2000000		<u> </u>				proveinento	_	12000	11,5,744	resquiate to	0.511.57
8400 Industrial Boulevard	Allentown, PA	\$ -	\$ 6,883,389	<b>S</b> –	\$ 25,444,359	\$ -		\$ 32,327,747	S	32,327;747	S -	2005	N/A
3500 High Point Boulevard	Bethlehem, PA	–	289,529	` -	2,143,128	_	,	2,432,657		2,432,657	_	2006	N/A
3450 High Point Boulevard	Bethlehem, PA	j -	303,197		1,897,360	(Part - 1	•	2,200,557	í	2,200,557	-	2006	N/A
5705 Old Shakopee Road	Bloomington, MN	-	2,113,223		1,409,514	-	,	3,522,737		3,522,737	-	2001	N/A
8201 Industrial Boulevard	Breinigsville, PA	· ·	2,138,635	· · · · <u>-</u>	887,619	1.000		3,026,254		3,026,254		2006	N/A
6220 Old Dobbin Lane	Columbis, MD	· · · · · ·	3,865,848	_	3,117,313	· -		6,983,161		6,983,161	_	2006	N/A
7625 Smetana Lane	Eden Prairie, MN	- E	4,500,641	_	1,416,645	–	•	5,917,287		. 5,917,287		2006	N/A
7351 Coca Cola Drive	Elkridge, MD '	_	1,897,044	_	4,722,406	_		6,619,450		6,619,450		2006	N/A
1100 Virginia Drive	Fort Washington, PA		22,612,437		18,251,084	<u>-</u>		40,863,521		40,863,521	7.128	2006	N/A
7 Independence Pointe	Greenville, SC	_	932,484	_	4,353,296	· –		5,285,780		5,285,780		2006	N/A
45 Brookfield Oaks Drive	Greenville, SC	_	818,114	-	3,151,403	_		3,969,517		3,969,517	_	2006	N/A
116 Pleasant Ridge Road	Greenville, SC	_	1,547,811	-	2,740,234	_		4,288,045		4,288,045	_	2006	N/A
1317 Executive Boulevard	Hampton, VA	_	1,650,423		5,221,412	_		6,871,836		6,871,836	_	2006	N/A
600 Industrial Drive	Harrisburg, PA	_	7,743,800	_	24,665,626	-		32,409,426		32,409,426	_	2005	N/A
1498 Eagle Hill Drive	High Point, NC	·	94,274	_	5,688,012	_		5,782,285		5,782,285	_	2005	N/A
4475 Premier Drive	High Point, NC	-	748,693	-	3,600,826	_		4,349,519		4,349,519	-	2006	N/A
7 Walnut Grove Drive	Horsham, PA		2,631,696	-	9,130,339			11,762,035		11,762,035	–	2006	N/A
1646 Rankin Road	Houston, TX	- ·	329,961	_	4,049,825	-		4,379,785		4,379,785	_	2005	N/A
330 Fellowship Road	Mount Laurel, NJ		3,730,570	· .	3,786,447			7,517,017		7,517,017		2006	N/A
6923 Lee Vista Boulevard	Orlando, FL	_	903,701	_	2,132,401			3,036,102		3,036,102	_	2006	N/A
851 Gills Drive	Orlando, FL	· · · · · ·	267,313		305,523	-		572,836		572,836		2006	N/A
950 Gills Drive	Orlando, FL	_	356,418	_	269,750	_		626,167		626,167	_	2006	N/A
1000 Gills Drive	Orlando, FL		333,873	- 1	269,171			603,044		603,044	_ `	2006	N/A
17th & JFK Tower	Philadelphia, PA	_	22,430,038	-	236,533,846			258,963,884		258,963,884	_	2005	N/A
3900 Westerre Parkway	Richmond, VA		392,184	-	10,177,825		- ke-	. 10,570,009		10,570,009	<b></b> '	2005	N/A
Renaissance Blvd & Hwy 20	Sturtevant, WI	_	2,484,450	_	8,512,026	_		10,996,476		10,996,476		2006	N/A
Bridgeway III Land	Suffolk, VA	- 1	904,052	- '	6,717,091	S. 8		7,621,143		7,621,143	117, -	2006	N/A
910-926 Chad Lane	Tampa, FL	-	201,771	-	1,986,093	_		2,187,864		2,187,864	· -	2006	N/A
150-182 Kelsey Lane	Tampa, FL		403,541	·	3,211,780	`		3,615,322		3,615,322		2006	N/A
3701 Corporate Parkway	Upper Saucon, PA	<del>.</del>	1,078,674		8,445,567	-		9,524,241		9,524,241	-	2005	N/A
42 Kings Hill Avenue	West Malling, UK	-		-	19,876,271	11.		19,876,271		19,876,271	~	2005	N/A
· 1 Kings Hill Aveune	West Malling, UK	- '		-	5,746,898	· -	-	5,746,898		5,746,898	_	2006	N/A
777 Township Line Road	Yardley, PA	<u> </u>	3,436,013		10,636,157	<u> </u>	* **	14,072,170		14,072,170		2005	N/A
Subtotal Development in Progress		<u>s</u> -	\$98,023,798	\$ -	\$440,497,248	s -		\$ 538,521,045		538,521,045	<u>s</u> –	****	
, .													

	_		Initia	el Cost	Costs Capitalized		Gross Amo	ount Carried at End o	f Period		Date of	
Project					Subsequent to		nd and overents	Building and	Total	Depreciation	or	Depreciable life
LAND HELD FOR DEVELOPMENT	Location	Encumbrances	Land	Building	Acquisition	Impr	ovements	Improvements	12/31/2006	12/31/06	Acquisition	(years)
Perryman Road Land	Aberdeen, MD	s - s	12,046,811	s	¢ 91.099.	S _ S 12	137,910 \$	- \$	12,137,910 5		2005	N/A
LVCC Phase 2 Land	Bethlehem, PA	_ •	3,148,780	_	1,117,583		266,363		4,266,363	·	1998	N/A
Lehigh Valley Corporate Center Land	Bethlehem, PA		265,842	J _~			265,842		265,842	·**	1987	N/A
Boca Colannade Yamato Road	Boca Raton, FL	· <u>-</u>	3,649,792		1,103,719		753,511	_ ~.	4,753,511		1998	N/A
95 Kriner Road	Chambersburg, PA		8,662,788		7,761,134		423,922		16,423,922	*. <	2006	N/A
Battlefield Corp Ctr. Parcel 14	Chesapeake, VA		1,532,779	« ·	6,634		539,413	<u>.</u>	1,539,413	**** 1	2006	N/A
Rivers' Bend Land	Chesterfield, VA	and a second of	1,695,415	·	3,060,359		755,773	- t-	4,755,773		1995	N/A
501 Hewlett Packard Way	Chesterfield, VA	• _	165.042		484,965		650,007	1 1 77,71	650,007	_	1996	N/A
Pleasant Ridge Road Land	Greensboro, NC		828,289	3 8 4 <u> </u>			828,289		828,289	1. 48 E	2006	N/A
Southchase Business Park Land	Greenville, SC	· · · _	1.369.712		688,157		057,869	_ `	2,057,869	ALL W	1998	N/A
Hunters Green Land	Hagerstown, MD		8,942,141	- 4 4 E	246,486		188,627	· ~ ~	9,188,627		2006	N/A
Lakefront Plaza II Land	Hampton, VA	157,601	132,785		92,936		225,721		225,721	AV:	2001	N/A
Patapsco Valley Business Center	Hanover, MD	137,001	2,402,322	i vrati i e∑i	. 1,118,795		521,117	· · · · · · · · · · · · · · · · · · ·	3,521,117.	3 F	2004	N/A
Mendenhall Land	High Point, NC		1,910,135		5,028,104		938,239		6,938,239	`** `	1995	N/A
Piedmond Centre Land	High Point, NC	· · · · · · · · · · · · · · · · · · ·	866,380		526,614		392,994	<u></u>	1,392,994	,	2006	N/A
Horsham Business Center Land	Horsham, PA	-	80,800	4 8 8 T	455		81,255	:	81,255		2005	N/A
Commonwealth Corporate Center Land		oner, var af	3,047,683		19.263		.066.946	_	3,066,946		2005	N/A
Central Green Land	Houston, TX	o San Fa	481.229		10,440		491,669	· -	491,669	<del>-</del>	2003	N/A
Fallbrok Drive Land	Houston, TX	<del>-</del> -	1.990.270	ye şe ke∑s	15,915		006,186	· · · · · · · · · · · · · · · · · · ·	2.006.186	T	2006	N/A N/A
Windfern Drive Land	Houston, TX	··· -	1,222,065		4,317		226,382	_	1,226,382	- 7	2006	N/A
Noxell Land	Hunt Valley, MD		2,166,068		830,242		996,310		2,996,310	_	2001	N/A
Liberty Business Park Land	Jacksonville, FL	·	448,097	·	90,019		538,116		538,116	_	1995	N/A
7024 AC Skinner Parkway	Jacksonville, FL		468,643		356,309		824,952	-	824,952		1995	N/A
Belfort Road	Jacksonville, FL	_	468,643	. :-	109,850		578,493	_	578,493	<del>-</del>	1993	N/A N/A
Butler Plaza Land	Jacksonville FL		1,303,792	·	1,706,463		010,255		3,010,255		1998	N/A N/A
Salisbury Road Land	Jacksonville, FL		880,828		699,651		580,479		1,580,479		2000	N/A
Skinner Land Parcel B	Jacksonville, FL	<del>-</del>	2,306,191	15 As T	1,102,674		408,865		3,408,865	<del>.</del> . <del>.</del> .	2005	N/A
Kent County, UK	Kent County, UK		2,300,191	· ·	7,698,943		698,943		7,698,943		2005	N/A
Boulders Business Center Land	Lehigh, PA		15,243,107	. 4 (5) =	**2,660,386		903,493		17,903,493	44.00 J	2004	N/A
Mill Run Land		- · · · · · · ·	2,882,221	+ 2 43 × =	49,691		931,911				2004	N/A N/A
Commodore Business Park	Lehigh, PA Logan, NJ	gas - 58₹ -	1,458,019	GORATE:			458.019		2,931,911 1,458,019	-	1995	N/A
Ouarry Ridge Land	Malvern, PA	5°7°	8,398,708	30% at = 1	1,894,356		293,063	y = 5,7	10,293,063	i.:	2001	N/A
Park Place South Land	Milwaukee, WI		2,362,904	rg and Two	1,384,531		747,435		3,747,435	N/ 20	1999	N/A
Monarch Towne Center Land	Mirarar, FL	· -	12,302,904	Vi. a. 1.777			327,714		12,327,714	· –	2006	N/A N/A
South 27th Street Land	Oak Creek, WI		1,594,760	. , . –	97,911		692.671	-ī.,	1,692,671		2006	N/A N/A
Maitland Summit Park Land	Orlando, FL		4,388,905	_	33.427		422,332	_	4,422,332		2005	N/A
Beachline Industrial Park Land	Orlando, FL	-	1,103,606	<del>.</del> .	215.454		319.061	. <del>-</del>	1,319,061	e	2005	N/A
JFK & Arch Parking Lots/Land (West)	Philadelphia, PA	_	4,700,222	_	2,941,184		641,406	_	7,641,406		2000	N/A
4775 League Island Boulevard	Philadelphia; PA		396,833		900,027		296.860	_	1,296,860		2006	N/A
Eastport VII	Richmond, VA		787.091		844,001		631,092	_	1,631,092		1997	N/A N/A
Eastport VIII	Richmond, VA		379.836	. –	6,187		386.023	_	386,023	-	1997	N/A N/A
Eastport IX	Richmond, VA	_	209,856	, -	5,096		214,952	_	214,952	-	1997	N/A
Westerre Land	Richmond, VA		738.090	_	902,239		640,329	_	1.640.329		2003	N/A
Romulus Land	Romulus, Ml	-	788,338	_	733,216		521,554	_	1,521,554		1998	N/A
Woodlands Center Land	Sandston, VA		928,555	_	290,438		218,993	_	1,218,993	-	1996	N/A
Northsight Land (LPLP)	Scottsdale, AZ		7,247,107	_	1,130,879		377,985	_	8,377,985	_	2005	N/A
Bridgeway II Land	Suffolk, VA		678,039	: <u>-</u> [-	1,703,485		381,525	_	2,381,525	• -	2005	N/A
Suffolk Land	Suffolk, VA	_	2,713,494		79,375		792,869		2,792,869	· _	2005	N/A
6119 W. Linebaugh Avenue	Tampa, FL	·	175,886		22,320		198.205		198,205	85-1 - <u> </u>	2000	N/A
Tampa Triangle Land	Tampa, FL		173,880		28,881		477,143	· · · · · · · · · · · · · · · · · · ·	198,203	×1	2006	N/A
4631 Woodland Corporate Blvd Land	Tampa, FL	, <del>-</del>	1,752,917	- 1 K. 1. 1. 9 =	152,856		905,773		1,905,773	\$565 T	2006	N/A
Big Beaver Airport Land	Troy, MI	i., . <del>-</del>	3,176,411	(r + ½, + ; ) =	(2,079,253)		097,158		1,903,773	. 11.7	1999	. N/A
				e ess.						3.7.km	1333	N/A.
Subtotal Land Held for Development	. Light	\$ 157,601 <b>\$</b>	147,364,204	\$ €%; — :	47,967,813	\$195,	332,017 S	<u>S</u>	195,332,01 <b>7</b> \$	**************************************		
Total All Properties		\$ 92,559,074 \$	353,525,734	\$1,763,051,027	\$2,519,448,192	\$861,	920,408 \$	4,274,104,545 \$5	,136,024,953	\$786,778,264		

Denotes property is collateralized under mortgages with American General, USG Annuity and Life, Metropolitan Life and LaSalle Bank totaling \$93.4 million.

# LIBERTY PROPERTY LIMITED PARTNERSHIP REAL ESTATE AND ACCUMULATED DEPRECIATION (In thousands)

A summary of activity for real estate and accumulated depreciation is as follows with related amounts that reflect discontinued operations as of September 30, 2007:

			YEAR EN	DED DECEMBER 31,	
			2006	2005	2004
REAL ESTATE: Balance at beginning of year Additions Disposition of property			4,680,178 \$ 823,880 (368,034)	4,332,444 653,167 (4 %) (305,433)	\$ 3,971,470 409,125 (48,151)
Balance at end of year		1 000000 00000000000000000000000000000	5,136,024 (1987)	4,680,178	\$ 4,332,444 *
ACCUMULATED DEPRECIATION: Balance at beginning of year Depreciation expense Disposition of property	Application of the second of t		\$\frac{2715,983}{121,778} \$\frac{121,778}{(50,983)}\$	664,652 120,496 (69,165)	\$ 561,198 111,654 (8,200)
Balance at end of year		<u>s</u>		715,983	\$ 664,652

#### PART IV

#### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements of Liberty Property Trust and Liberty Property Limited Partnership are included in Item 8.

### I. REPORTS OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm — Liberty Property Trust

Financial Statements - Liberty Property Trust

Balance Sheets:

Liberty Property Trust Consolidated as of December 31, 2006 and 2005

Statements of Operations:

Liberty Property Trust Consolidated for the years ended December 31, 2006, 2005, and 2004

Statements of Shareholders' Equity:

Liberty Property Trust Consolidated for the years ended December 31, 2006, 2005, and 2004

Statements of Cash Flows:

Liberty Property Trust Consolidated for the years ended December 31, 2006, 2005, and 2004

Notes to Consolidated Financial Statements - Liberty Property Trust

· Report of Independent Registered Public Accounting Firm — Liberty Property Limited Partnership

Financial Statements - Liberty Property Limited Partnership

Balance Sheets

Liberty Property Limited Partnership Consolidated as of December 31, 2006 and 2005

Statements of Operations:

Liberty Property Limited Partnership Consolidated for the years ended December 31, 2006, 2005, and 2004

Statements of Owners' Equity:

Liberty Property Limited Partnership Consolidated for the years ended December 31, 2006, 2005, and 2004

Statements of Cash Flows:

Liberty Property Limited Partnership Consolidated for the years ended December 31, 2006, 2005, and 2004

Notes to Consolidated Financial Statements — Liberty Property Limited Partnership

#### 2. FINANCIAL STATEMENT SCHEDULES:

Schedule III - Real Estate and Accumulated Depreciation as of December 31, 2006 for Liberty Property Trust

All other schedules are omitted because they are either not required or the required information is shown in the financial statements or notes thereto.

Schedule III - Real Estate and Accumulated Depreciation as of December 31, 2006 for Liberty Property Limited Partnership

All other schedules are omitted because they are either not required or the required information is shown in the financial statements or notes thereto.

### EXHIBIT 12 – STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES

# LIBERTY PROPERTY TRUST / LIBERTY PROPERTY LIMITED PARTNERSHIP (Amounts in thousands except ratio amounts)

	Year ended December 31,						
	2006	2005 2004 2003	2002				
Earnings before fixed charges: Income before allocation of minority interest and income from investments in unconsolidated			1.8				
subsidiaries (1) Add: Interest expense Depreciation expense on cap'd interest Amortization of deferred	\$ 168,640 107,897 4,437	\$ 218,471 \$ 145,329 \$ 140,877 107,414 95,334 95,286 3,829 3,442 3,140	\$ 137,491 88,742 2,944				
financing costs	4,256	4,359 3,863 3,638	3,579				
Earnings before fixed charges	\$ 285,230	<u>\$ 334,073</u>	\$ 232,756				
Fixed charges: Interest expense Amortization of deferred financing charges Capitalized interest	\$ 107,897 4,256 30,837	\$ 107,414 \$ 95,334 \$ 95,286 4,359 3,863 3,979 17,748 13,242 10,947	\$ 88,742 4,015 				
Fixed charges	142,990	<u>129,521</u> <u>112,439</u> <u>110,212</u>	109,255				
Preferred share distributions Preferred unit distributions	13,691	12,095 11,844 12,416	7,242 11,619				
Combined fixed charges	\$ 156,681	<u>\$ 141,616</u>	\$ 128,116				
Ratio of earnings to fixed charges	1.99	2.58 2.21 2.20	2.13				
Ratio of earnings to combined fixed charges	1.82	2.36 2.00 1.98	1.82				

<sup>(1)</sup> Amounts for the years ended December 31, 2006, 2005, 2005, 2005, 2003 and 2002 have been reclassified to present properties that have been sold or held for sale as of September 30, 2007. As a result, operations have been reclassified to discontinued operations from continuing operations for all periods presented.